

Prosper

Puma VCT Investor Newsletter

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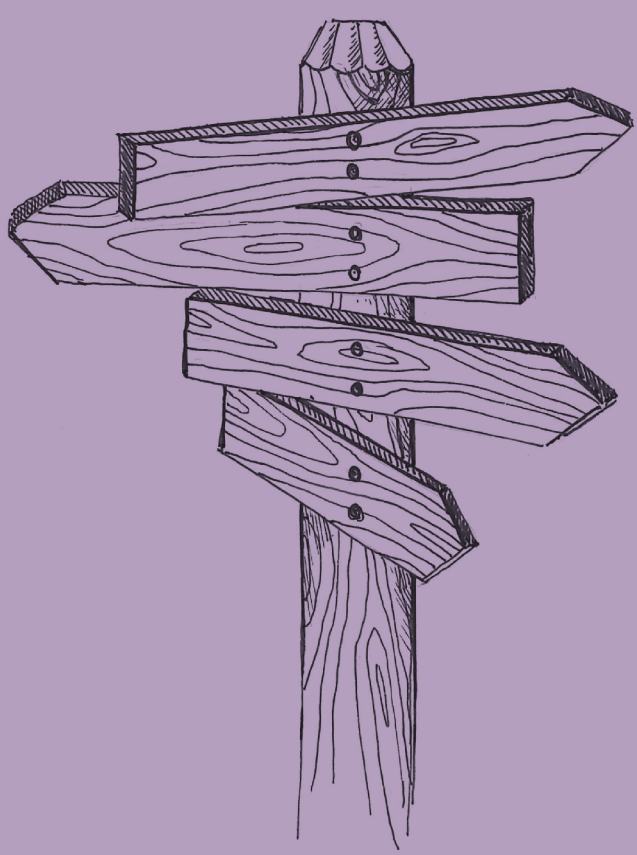
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David Kaye
CEO, Puma Investments

Welcome to another edition of Prosper

Here we are heading into autumn and 2023 is flying by and the team is already busy planning what's in store for 2024. During the last six months our colleagues at Puma Investments have been hard at work on a number of important projects.

In June we sent out copies of the Puma VCT Annual Report & Accounts, which provided useful updates on how the portfolio companies have been performing, and our views on the economic outlook. Our rebrand has been continuing at some pace, and is now virtually complete with the launch of the new Puma Investments website in July.

And in September we launched this year's prospectus for Puma VCT 13. We are incredibly excited about a number of new portfolio company additions we have made over recent months into this VCT, and over the summer, it reached its fifth-year performance milestone. A number of the investments in Puma VCT 13 are showing impressive results, and we look forward to another interesting year.

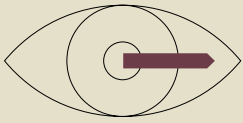
Once again we welcome your views and feedback, and have included a survey at the back of this newsletter, which asks for your views on the growing need for more sustainable practices in businesses. Every completed survey we receive, will be entered into a prize draw to win a £250 Love2shop voucher. Congratulations to Mr Ian Pearson, who was the winner of our £250 Love2shop voucher from March 2023.

David Kaye
CEO, Puma Investments



Rupert West

Managing Director, Puma Private Equity



Economic outlook: Hard to call

Someone once said, “Some things in life are too hard to explain in any language,” and you could be forgiven for applying this to the current economic outlook for the UK. While the Bank of England has raised interest rates more than a dozen times since December 2021, inflation has remained stubbornly high. Employment levels are buoyant, but clouds are appearing on the horizon, as we head into the autumn months. Consumer confidence has picked up significantly over the last 12 months, but it remains negative. And retail sales – which had been holding up well – fell sharply over the summer. The data we are seeing is mixed, and it is difficult to reach a conclusion from it.

It is highly likely that UK inflation will fall over the next six months, potentially quite steeply, but probably not in a straight line. Inflation in the UK has been out of kilter with other nations, due in fair part to the UK's high dependence on natural gas and the impact that wholesale price increases had on all other outputs, given it is such a basic input to the economy. Gas prices rose to a huge peak during 2022, but have since fallen sharply, which should drag UK inflation down in the coming months. Absent further shock, the rate of increase in food prices seems to have peaked, with a rise of 14.9% in the year to July 2023 – down from 17.4% in June and a peak of 19.2% in March. On the other hand, the rate of increase in the price of travel did continue to grow from June to July this year. The other upward driver is housing costs (excluding energy), which climbed sharply due to the impact of interest rate increases; perversely this is where the medicine directly amplifies the disease.

Translating that to the real economy, the picture is again mixed. Unemployment has started to climb, although rates remain relatively low across the country. But while the number of vacancies has fallen, the labour market remains tight, particularly in the hospitality, retail and manufacturing sectors. Latest wage inflation data shows that overall rates, including bonuses, are still over 8% in the private sector, so labour costs are likely to continue rising for some time to come.

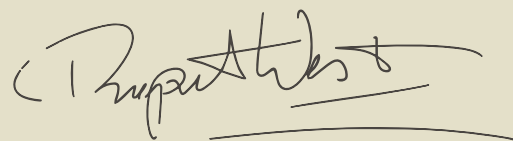
On the world stage, the latest news coming out of China is ominous, with a range of indicators suggesting the economy needs to brace itself against growing headwinds. There has been a faster-than-expected deterioration in the real estate market, and property prices have started to fall. This has eroded consumer and business confidence, and led to more sluggish demand. The world has come to expect China to react to such trends with huge fiscal support from the state, but the rhetoric this time is more cautious.

In the US, analysts have suggested that growth will be muted. As in the UK, interest rates have risen sharply over the past year, but unemployment has remained very low and economic growth has continued to be strong. Indeed, the US has consistently surprised to the upside for a year or so now. The fear perhaps, with a contentious Election looming, is that whatever magic has propelled the US consumer, might start to fade.

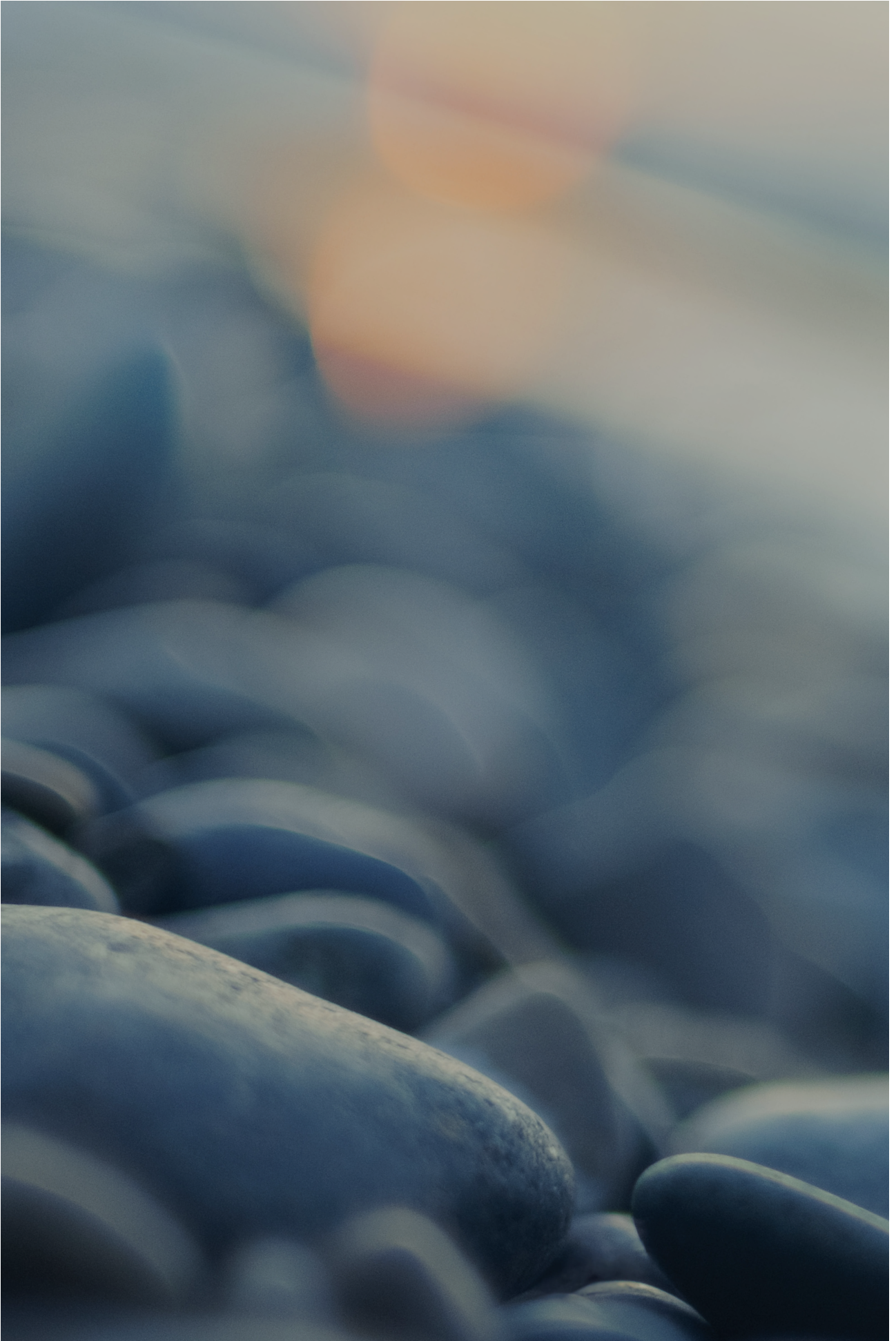
However, challenging though it is to read the tea leaves, we require a base case view against which to judge investment decisions. Weighing all this up, we see the highest probability outcome being a period of low, variable and sluggish growth, but avoidance of a significant deterioration. Inflation will start to fall more rapidly, and it is unlikely that the Bank of England will raise interest rates that much more, given so much of the impact of this cycle is yet to be felt.

There is a potential upside scenario, with confidence gathering steam more quickly than higher interest rates can bite, which would see slightly higher growth next year and more robust sentiment. On the flip side, there are also further downside scenarios, and unfortunately they are slightly more likely. According to the latest data from Halifax, house prices in the UK were 4.6% lower in August 2023 than a year earlier, and many analysts expect them to fall further still. This could lead to further reductions in consumer spending as people feel less wealthy (especially if strikes continue, or there is some other external event that saps confidence), which will put more strain on business and, potentially, lead to a more material rise in the rate of unemployment. This could push us into a recession in 2024, although it should still count as mild by historical standards.

So how are we investing in light of such uncertainty? Well, aside from scenario planning to stress-test what we and our portfolio companies are focused on, we lean even deeper into our ultra-active approach. In this climate, shrewd business leaders are looking for every bit of help they can get, and our highly engaged approach is chiming with management teams more strongly than ever.



Rupert West
 Managing Director,
 Puma Private Equity





Improving men's style across the globe: Ron Dorff

Interview with Claus Lindorff,
CEO of Ron Dorff



Claus Lindorff launched his men's clothing brand – Ron Dorff – in 2012. During the last 11 years the company has gone from strength to strength, producing iconic menswear staples of the past across sportswear, loungewear, underwear and swimwear, now shipping to more than 80 countries worldwide. We caught up with Claus to find out more about him and his fashion philosophy.

Claus, talk to us about what you set out to create with Ron Dorff. Why did you start the company?

I think it's useful to go back a little and talk about my career before Ron Dorff. I started in investment banking in London, and then I moved into the advertising industry. After about 15 years of working for some of the biggest agencies on a wide range of global brands, I started and ran my own agency, which specialised in advertising and marketing for luxury and fashion brands. I worked with many different companies and of course I used to go on lots of photoshoots. Advertising agencies are really involved at the end of the process, but you're not involved in the product development. And I would go on these big shoots and say, "Oh I love these tennis shorts, they look like the ones Bjorn Borg used to wear in the 80s," and I'd ask to buy them when they came out, and they'd say, "Oh no, these are not for sale – they are only here for the image campaign and we won't sell them to Middle America." And I thought that it was totally insane that we were shooting things that weren't actually being produced but were super cool.

A friend of mine also worked with me in the agency, and we'd talk about how difficult it was just to find a nice white T-shirt without crazy logos on. Or we'd try to find those great tennis shorts that we used to know from Finland in the early 1980s. So as with many brands and products that are developed, we started the company because we couldn't find what we were looking for in menswear.

We started Ron Dorff basically doing gymwear, because we needed a niche positioning, being such a small company. We thought, can you go to the gym and not look like a sandwich man with crazy colours and big prints and logos and all that, but just something well cut and good quality and simple and easy. Sportswear like it used to be back in the 70s and 80s. That's how we started.





“
We came up with something we wanted to do for ourselves. It just turned out that it also had a lot of appeal to others in lots of different markets, which is great.”

When you created Ron Dorff, did you ever expect things to get so big? Did you ever see it being a global company?

I don't think anyone starts with the idea they are going to build a global company. Of course there may be people like that, but I think normally you start something when you can see a hole in the market.

I'm not a designer, but I saw a hole in the market and thought, how could I build something that could fit into that? It was very much a business idea that I thought could make us some money and it would be an interesting journey along the way. I thought we might be in one country or several countries. But of course in the beginning we had no clue about that. I just thought there was a great idea that we could exploit. I think often there are people out there who are just entrepreneurs and they start things because they feel that there is something in an idea that is lacking in the market: something they can play with and see how far it goes. That's what I thought about starting Ron Dorff. I knew that people would want the clothes we made – I just didn't know what that might eventually end up looking like.

It sounds like you have a very clear idea of what your customers' needs are, and you have built the business around them?

We never wanted to do a luxury brand, because it wasn't credible. But I thought a premium brand would be. I worked for many years with Lacoste, and I think they had a fantastic history. They came up with a great product through the PK Polo – but their quality let them down. If you don't have a great-quality product and the communication that goes with it – including brand awareness and a brand image – you can kill a brand in two seconds. And I think with Ron Dorff, it was as much about getting out a great product, as it was about having a great story to it that made sense to people – particularly

our target audience. We are aiming at people like me who are over 30 with money, but not a billionaire. Someone who doesn't mind spending money on good-quality things, but don't want to be taken for an idiot by brands where you buy an expensive logo and then find out the products are made on the cheap. Our audience want brand quality, and they want a brand where there is a reason to buy, or that they can associate with. They are then happy to pay whatever it costs within reason. But it has to be great quality. It was very important we aimed at a target that doesn't want big advertising logos on everything. I'm not 18 any more, and I don't want to dress up like I'm 18. I want something that looks chic without looking like my father.

At Ron Dorff our inspiration was very much the 70s and the 80s in terms of sports and fashion. Our target audience felt kind of obvious, and we also know they can relate to the products we are selling, because we know they have seen them as children.

Clearly your menswear has an appeal that transcends geographic boundaries – why do you think that is?

We've talked to a number of investors over the years, and one of the things we know makes us different, is that we are not typically all about French style. A lot of French fashion brands are simply not exportable to other countries: the brand positioning is not exportable or the product is not a cut that will appeal to people in certain countries. What is very interesting with Ron Dorff, is we have come up with a brand image and a product that have a broad appeal. It works across markets. Very few brands can do this, because in appealing to everyone, they just become bland and then appeal to no-one.

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And I think the brand has shown pretty early that whether we are in Sweden, Denmark, France, the UK – even Japan – what the brand stands for, works, and what the product offers, works. I mean our products aren't crazy – they aren't pink with diamonds on them.

They are very low-key, very functional, Scandinavian design that appeals to all markets. We offer a very global concept without actually having designed it in that sense. Because if you “do global” – and I've worked for a number of big global brands – so often it comes down to the smallest common denominator, and that means basically the product becomes very boring because it has to sell everywhere. We came up with something we wanted to do for ourselves. It just turned out that it also had a lot of appeal to others in lots of different markets, which is great.

Ron Dorff now has stores in a number of countries. Is there a blueprint you use now when you open a new store, or do you adjust it depending on where you are in the world?

I think it's important to say that physical stores are important, but online is absolutely key for us. It represents the lion's share of our sales. And while we are in dozens and dozens of countries now, the top four markets – the UK, France, Germany and the US – account for 80% of our sales. If you look at the top ten cities in the world, we sell to nine of them in those four markets. The only one sticking out is Amsterdam. The number one city we sold to online – even before we had a store there – was New York. It accounted for a bigger and bigger proportion of our sales, and we kept looking at the data and saying there has to be something there. So we opened the store in New York.



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While we have a blueprint, I really hate brands who go around the world and all the stores look exactly the same. It's really important that every store should feel like Ron Dorff, but every one is slightly unique.”

We opened a second store in the US, in Los Angeles. The stores have never been pulling online sales – it's always been the other way around, with the online sales making it clear where we should open a physical store. Online is great, but a brand doesn't really exist with people, especially in the premium and luxury markets, until you have a physical presence: one where people can go and touch the products and really live the idea of the brand and connect with the brand.

In terms of a blueprint for those stores – yes we do have one. We've had guidelines from an architect for stores since we opened the second one. We didn't with the first store in Paris. That one I did myself. I designed it on my own, and had my builder to do the furniture and repaint the whole thing, because we had no cash, so I had to keep costs down. After this, we had more investment into the business and we commissioned an architect to come up with a concept that reflected the brand. One that should be Scandinavian – very simple with the black and the white, and the light wood. This is what the brand stands for – premium but not luxury, not over the top. And then he designed the furniture for the store. And that has been used for the rollout of all the other stores.

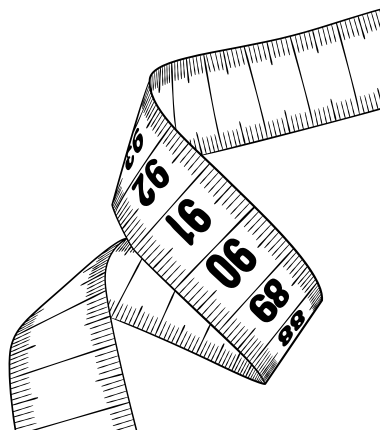
When we went to New York, the building in SoHo was from 1871 and really cool. It was really important to me to see how we could adapt our design to the building. While we have a blueprint, I really hate brands who go around the world and all the stores look exactly the same. We are not H&M. Ron Dorff is a premium brand, and if we're in New York, or LA or wherever, we need to take into consideration what the building looks like, what the neighbourhood looks like, and how we can make our store look cool and fit in. It's really important that every store should feel like Ron Dorff, but every one is slightly unique.

So where next for Ron Dorff? Do you see the brand operating in more countries in the future?

We clearly have an expansion strategy. And we knew it was very risky to expand overseas when we were so small, because it's costly. It's a business that's complicated, because of course every time you enter a new market, you need a new account for this and that, and then you need local companies to help you etc. So things are complicated.

But I believe that our target group lives in big cities, whether it's in France, the UK, Germany and/or the States. And I think they have more in common between themselves than they do with people in their own countries. These are people that travel around the world a great deal, so it was important that we didn't expand too much in individual countries, but rather operated out of lots of countries. We didn't want to have a store in Paris and then go south into some small towns in France, as we are not a suburban or countryside brand. We are firmly aimed at urban men in big urban cities. Reaching these people meant we had to go international. And of course this is a business, so if you are small but can still show very early on that this is a concept that flies through many markets, it makes the brand and the concept very interesting for future investors or buyers.

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CameraMatics’ drive for expansion

Interview with Mervyn O’Callaghan,
CEO of CameraMatics



CameraMatics provides a range of fleet management solutions that transform how businesses operate and deliver value to their customers. The company has seen significant growth since it launched in 2016. We caught up with CEO, Mervyn O’Callaghan, about its recent expansion overseas, and some of the challenges the company faced coming out of the global pandemic.

CameraMatics is an incredibly innovative company, and you offer a range of products and solutions. If you were going to summarise what you offer in a few words, what would it be?

We have a kind of tagline around innovation in a number of specific areas – one of them is reducing accidents: improving driver safety and reducing accidents and improving road safety in general for companies that operate commercial vehicles, or have employees using vehicles to deliver their services. We also have a real focus now on supporting companies to reduce their carbon footprint. Our view is that if you can impact driver behaviour, the net effect of that is you’re actually driving better – you’re driving more efficiently, which means you can save fuel and you can actually cut down on emissions. There’s a whole series of other operational benefits from our system around saving time and money and resources and route optimisation, and all of those great things. But the two areas we always focus on are reducing accidents and reducing an organisation’s carbon footprint.

Has your proposition evolved over time, or has sustainability always been a key part of what you wanted to offer companies?

I think it’s fair to say that it’s probably evolved. Sustainability has become more of an issue and people are talking about it more. Companies, particularly large corporates, now have responsibilities to start reporting on it. And it’s probably the product that has evolved more in that area. It always had an element of sustainability, but we actually sold this as an operational efficiency system, and the carbon footprint was a side benefit of that.



Is sustainability one of the areas you are focusing on more and more, in terms of how you highlight the benefits of your products?

There's definitely a sustainability focus within the conversation, but the conversation generally is led by the safety aspect. If you look at ESG in general – when you consider looking after the welfare of your employees, there are so many different aspects that apply to safety.

If you have a driver of a lorry on his phone and he crashes into the back of someone on the motorway, you could have 1,000 cars that are all burning fuel because of that accident, which could have been prevented had the right safety measures been in place. Safety and sustainability therefore are intrinsically linked, but it's hard for people to actually visualise that in their heads. A lot of the time we talk to people who are very focused on costs – saving drive time, reducing accidents, reducing insurance premiums etc. But when you talk to them about the sustainability benefits of what our systems can offer, they usually see how it's relevant to them.

For a lot of our customers, their vehicles are the service they provide – whether they are bin companies or couriers or hauliers. A lot of them subcontract for large corporates and retailers, and increasingly they are being asked as part of the tender process what they are doing about sustainability, because they are considered as part of an organisation's Scope 3 emissions. These guys need to be able to demonstrate that they are a good supplier and that they have a programme in place to reduce their carbon footprint, because that's increasingly what their clients are being measured on themselves, and what they are coming to expect from suppliers. Previously, they might have just focused on cost, and it's a low-margin business. Now suddenly our clients are saying they have to look at sustainability needs, because if they don't, they'll start losing contracts.

How did CameraMatics start? You've been going since 2016 – what did you do before you started the company? Have you always been a bit of an entrepreneur?

I started my career in the corporate world and qualified as an accountant. But I never really worked in a traditional finance role – I was always in commercial roles or business growth functions. I started working for Morgan Stanley in investment banking, and from there I moved to Carphone Warehouse, where I was responsible for their

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European growth. I did a lot of the acquisitions or the new start-ups across Europe. Naturally I found myself travelling all the time, which got quite wearing, so eventually I moved back to Ireland as Managing Director of Carphone Warehouse in Ireland. At the time I was 27. When I joined Carphone Warehouse, they were turning over £50 or £60 million a year, but when I left they were turning over nearly £2 billion, so a huge amount of growth very quickly in that business. It was crazy but very entrepreneurial, and I learnt a huge amount from my five years with the company. Once we flew to Holland to buy a company, and 24 hours after we'd first met them we had acquired them and we had the deal done. All before we got back on the plane to come home, because they were going out of business. We bought it for £100,000 and we made £2.4 million in the first year.

Carphone Warehouse was that type of business. It was a really good place, but also a really aggressive place to work. If you were not cutting the mustard, you were gone. There was no HR or anything like that. It was very, very aggressive. But it was a great place to work. And I think a lot of the skills that I have now probably I got from there. Some of them probably very annoying for the people you're working with! I reported into the likes of David Ross, who was a real numbers person, and you could give him a 60-page report and within 30 seconds he'll tell you on page 58 there's a number wrong. I'm a lot like that now. When I get reports on email I'll scan them and go back to someone within 20 seconds, if I can see a number is wrong.

In the end, I had about 400 staff and 25 stores across Ireland, and it all seemed to come very easily to me. We'd done a deal with a telecoms company as a joint venture, and the sales director for the telecoms company came to me one day and said, I have this great idea for a golf club down in Spain, but I have no money. Would you be interested

in getting involved? And so I left Carphone Warehouse with a very large number of shares on the table to set up a virtual golf club down in Spain. That was 21 years ago, and I've had my own businesses ever since then.

So have you still got the golf club?

No, the golf club was a disaster! It was an interesting concept, and the model for what we were trying to do was clear. It was during the time of the Celtic Tiger in Ireland, and people had loads of money. We had a number of private backers, and it became a competition among them who had the most money. It led to some really poor decision-making and behaviours. We'd taken the lease on a Saudi royal's place outside Puerto Banus, and we converted it into a really exclusive country club with a golf course. We offered people tee times for ten of the main courses down on the coast of Spain, so that if you were a member of our club, you could play at all these other clubs. At the time it was maybe €50,000 to €100,000 per course to join them. And if you are down there for a couple of months at a time, you don't really want to play the same course every day. So that was the concept.

But our investors started getting very competitive, and we spent a lot of money flying people from Ireland to Spain to do everything for us. We copied The Four Seasons Hotel in Dublin, which was the most expensive fit-out at the time that had been done in Dublin.

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A lot of the time we talk to people who are very focused on costs – saving drive time, reducing accidents, reducing insurance premiums etc. But when you talk to them about the sustainability benefits of what our systems can offer, they usually see how it's relevant to them.”



And when we flew one of the private investors down and he didn't like what we'd done, he paid the builders again to change it all. It was nuts, but a great learning experience.

Then I moved into consulting for a number of retailers, and eventually set up and ran a call centre business in Ireland. We went from £8 million to £24 million turnover in three years. We sold this and then started a company in the telematics industry, as an outsourced provider of technical support to customers. We offered first-line customer support and engineering services to a range of fleet managers and hauliers, installing about 15,000 vehicles a month with some form of technology in the UK and Ireland. We sold that business in 2016 – but not before we'd seen a gap in the market for more holistic telematics solutions. My partner and I had an earn-out on that business and when we established CameraMatics we walked away from our earn-out, because we thought the timing was critical. We just didn't want to lose 18 to 24 months for the market to catch up. We needed to launch our proposition quickly, so we could establish ourselves before anyone else.

When the global pandemic struck, CameraMatics was a fairly young company. How did it affect you?

With Covid, despite the fact that home deliveries increased hugely, our growth slowed down significantly because of vehicle availability. Even now we are still seeing a distinct lack of commercial vehicle availability, which means we are not able to roll out our technology as quickly as we'd like for our customers. We have one, where they buy on average 350 to 450 new trucks every year. And we signed the deal with them to install our technology when they had 2,000 trucks in their fleet. So far, we've still only installed in about 600 to 700 of them. The rest we haven't been able to install, because they can't get hold of new trucks. Customers keep being told that commercial vehicles will be in the next quarter or the one after, and they just aren't appearing. We have another customer at the moment, and they've ordered 60 new vehicles. We have a PO to install our technology into them, but they have no idea when they're going to get them.

It's now the case that if you want to buy a truck and you go to one of the truck dealerships, you could be looking at 12 to 18 months before your new truck arrives, whereas before you'd walk in and you'd get the keys and walk back out and drive the truck off the forecourt.



“With Covid, despite the fact that home deliveries increased hugely, our growth slowed down significantly because of vehicle availability.”



While Covid has proved challenging – as it has for most of us – the business is going from strength to strength. Tell us a little about how you’ve been expanding the business?

Where we’d left off in our previous business, we understood fairly well the UK and Irish logistics markets. We almost saw it as one whole market, and we never thought for one minute that we wouldn’t be operating in the UK when we launched CameraMatics. We started with a few employees that had been with us previously, and we had an office in the UK on day one – even though we initially only serviced the Irish market. We wanted to test our product on the Irish haulage market, because they’re notoriously difficult to deal with and notoriously tight in terms of paying for anything! We thought if we could get a product to market quickly here, we could do it anywhere. Monthly subscription – a core part of our pricing – is a model that the Irish don’t really like. So if the Irish were willing to pay monthly, then we were onto something good. While the UK was fairly straightforward, expanding into the US was completely different – but something that was essential for us to keep growing.

The US is so big, and it can be very expensive and very hard to recruit for. It’s also a long way away. You can’t just jump on a plane and be there in an hour like you can with the UK, and you’ve got time zones.

Having decided to go to the US, how did you do it?

Initially we went on a factfinding mission – me and my other co-founder, Simon. There’s a programme called SelectUSA, where a lot of the individual States across the US all come together in Washington, and sell to you the opportunity their State provides your business. You get to hear the pros and cons of what their State offers – labour, infrastructure, tax breaks etc. It’s actually organised through Enterprise Ireland and the Irish Government, and is based around the Irish Embassy in Washington. You get to do a couple of days at the SelectUSA conference, but then we were also invited to the Embassy to meet other Irish companies who have set up in the US. It’s a really good networking opportunity over four or five days.

We also did some cold calling while we were there – trying to organise meetings with

companies who are in our sector. We told them that we would love to just come and spend 20 minutes with them to get their views on the US, because we're brand new and looking to enter the market. We wanted to see if they could share some of their knowledge and experience with us.

Between these two things, we really got a feel of how to position our product in the US market, and what to do next. What was really interesting, was that we'd had an assumption before we did this, that the US was about five years behind the UK and Ireland in terms of technology and use of safety equipment, given all the compliance we have to adhere to now over here. What we found was that even though their technology was a lot simpler, they were actually far more sophisticated buyers. So the actual buying process was far more complicated than it was here in the UK and Ireland, and so we had to make some changes to what we'd been doing. The market in the US had been dominated by one or two very large players who address similar issues to us, but in a far less sophisticated way. The way they had always sold their products had conditioned the market to purchase in a certain way, meaning we really had a lot of education to do when we arrived. Then Covid struck and we couldn't travel, so we ended up recruiting sales people from a number of these competitors, which caused us some real issues.

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Buyers need to think if they have an issue there is someone local who can deal with it, not someone thousands of miles away.”

They had all been used to selling to customers based on the fear factor, because in America everyone is terrified of being sued. So when they went in to see a buyer, it was all they talked about – that the customer's trucks might kill someone and then they would get sued.

There is this thing in the US called nuclear verdicts, where insurance companies have a maximum cap on any claim that they will pay. Anything over that the company itself has to pay to the claimant. In most cases, they can't pay because the nuclear verdicts can be tens of millions of dollars, and so the company goes out of business. There are literally hundreds of companies that go out of business every year because of these nuclear verdicts.



But that just didn't convey clearly the benefits of our solution, so we had to position our product in a completely different way. Once we had done this, we made a number of changes to the team and the way we were pitching what we offer. And it's been far more successful. We've also narrowed down our focus to three States, because the market is just so big. We've also integrated ourselves into niche organisations and associations and become members, and we go to all the key events, so it feels like we are part of the community. What we found is that it's really important for American buyers to think you are local. Even though you're based out of Ireland, they want to see you at all the events. Buyers need to think if they have an issue there is someone local who can deal with it, not someone thousands of miles away.

How are you juggling travelling again with your family life? It must be quite challenging running a business overseas?

It is, but my business partner Simon does a lot of the travel to the US, and he's there at least once a month now. We've also added to the team with three people on the ground selling, and some operational people now in place. We are starting to build suitable infrastructure to support them. One of the challenges is that we are constantly growing, and we are always understaffed in every area. We have tried to keep the US part of our business separate from the rest of it, so it doesn't take over. We have kept things very tight and it's proved to be quite successful.

“
I think overall, our organisation is in a good place, because we have customers that do well in recession times and some that do well in boom times – we've got lots of bases covered.”

It would be really great to finish on your thoughts on how you see the current state of the economy – what do you think the next 12 to 18 months looks like for UK plc?

The UK market is quite challenging at the moment, in terms of people making decisions. I think it's because there is just so much uncertainty around about everything. And we've seen this before when there is a General Election looming. Decisions tend to be a lot slower and the deliberation process a lot longer. It doesn't necessarily mean customers won't make decisions, but they tend to be a lot more analytical in terms of what they're looking for, and the returns and timings of it and how they're going to do things. One of the other things that that impacts us most is interest rates, because we do sell a lot via leases. Interest rates going up adds a huge amount of additional costs to customers. One of our competitors self-funds all their deals, but in the current environment that's hugely expensive for you and for your customers. It can add 20-25% to a customer's bill. And with rates constantly moving, by the time a customer has approved your quote, numbers may need to be adjusted, and then they might not work commercially for you or the customer.

I think overall, our organisation is in a good place, because we have customers that do well in recession times and some that do well in boom times – we've got lots of bases covered. But not all businesses will be like that. For waste management companies and emergency services and organisations like that, their services are needed whatever happens to the economy, which is good for us and means we already have a steady backlog of orders. And we know there are more initiatives coming down the line on things like emissions, which will further bolster demand.



Investor views

We are offering you the chance to win a £250 Love2shop voucher, simply by telling us your views.

We'd like to understand more about how you choose your VCT investments, and a little more about how you see the economy panning out in the lead-up to next year's General Election.

As with our previous surveys, it takes only a few minutes, and for the first completed entry drawn, we'll send the lucky winner a Love2shop voucher. Simply scan the QR code below with your smartphone camera, if you'd prefer to complete this survey online.



SURVEY

Please complete the survey below and return via post in the envelope enclosed.

Name:

Email address:

1. What factors do you consider when investing into a VCT?

Rank these by most/least importance, where 1 is the most important:

- Track record
- Sector diversification
- ESG/sustainability measures
- Potential tax reliefs
- Growth potential
- Diversifying my existing portfolio
- Supporting the growth of the British economy through backing scale up-companies
- Strong dividend returns
- Other (please state)

2. Are you more or less likely to invest in alternatives/private assets in the current environment?

- Planning to invest more than the last tax year
- Planning to invest less than the last tax year
- Planning to invest the same as the last tax year
- Uncertain how I'm going to invest

3. How much are you planning to invest this tax year in VCTs?

- £3k-£5k
- £6k-£50k
- £51k-£100k
- £101k-£150k
- £151k-£200k
- Not planning to invest in VCTs this tax year

4. Has the abolition of the pensions Lifetime Allowance impacted how you're planning to invest in VCTs this tax year?

- I will invest more in my pension but continue to invest in VCTs/tax efficient products
- I will maintain my current level of pensions savings and continue to invest in VCTs/tax-efficient products
- I will maintain my current level of pensions savings and invest more in VCTs/tax-efficient products
- I'm already retired and will maintain my level of investment in VCTs/tax-efficient products
- I'm already retired and will increase my level of investment in VCTs/tax-efficient products
- Other (please state)

5. What age were you when you first invested in VCTs?

- Under 30
- 30-40
- 41-50
- 51-60
- 61-70
- Over 70

6. What appeals to you about investing in a Generalist VCT? A Generalist VCT invests in a wide range of companies, in comparison to a Specialist VCT that invests in a single sector. Tick all that apply:

- Diversifying the potential risk
- Strong performance
- Greater chance of capitalising on emerging trends
- Manager track record
- Potential to invest in a broader range of scale-up companies
- Other (please state)

Terms and conditions

The promoter of this prize draw is Puma Investments, Cassini House, 57 St James's Street, London SW1A 1LD.

The prize draw will run until midnight on 30 October 2023. All entries must be received by Puma Investments no later than midnight on 30 October 2023. All entries received after this time will be disqualified.

To enter the prize draw, you must complete the short survey outlined above, or on our website. Puma Investments will not accept responsibility for prize draw entries that are lost, mislaid, damaged or delayed in transit, regardless of cause, including, for example, as a result of equipment failure, technical malfunction, systems, satellite, network, server, computer hardware or software failure of any kind. By submitting a prize draw entry, you are agreeing to be bound by these terms and conditions.

The winner will be selected at random by Puma Investments. The decision Puma Investments makes will be final. The prize draw is open to anyone who completes the survey outlined who is aged 18 years or over, except employees or members of their immediate families or households of Puma Investments. In entering the prize draw, you confirm that you are eligible to do so and eligible to claim the prize. Puma Investments may require you to provide proof that you are eligible to enter the competition.

There is a limit of one entry per person. Puma Investments reserves all rights to disqualify you, if your conduct is contrary to the spirit or intention of the prize draw.

Puma Investments will contact the winner by email, phone or letter using the contact details provided within three days of the closing date, which is 30 October 2023. The decision of Puma Investments is final and no correspondence or discussion will be entered into. Puma Investments will make all reasonable efforts to contact the winner. If the winner cannot be contacted or is not available within seven days, Puma Investments reserves the right to offer the prize to the next eligible entrant selected from the entries. Puma Investments does not accept any responsibility if you are not able to take up the prize. The prize is a £250 Love2shop voucher. The prize is not negotiable or transferable. The winner must be 18 or over.

In so far as is permitted by law, Puma Investments, its agents or distributors will not in any circumstances be responsible or liable to compensate the winner or accept any liability for any loss, damage, personal injury or death occurring as a result of taking up the prize, except where it is caused by the negligence of Puma Investments, its agents or distributors or that of their employees. Your statutory rights are not affected. By entering the prize draw, you agree that any personal information provided by you with the competition entry may be held and used only by Puma Investments or its agents and distributors to administer the competition. Puma Investments reserves the right to hold void, suspend, cancel or amend the prize competition where it becomes necessary to do so. These terms and conditions shall be governed by English law, and the parties submit to the non-exclusive jurisdiction of the courts of England and Wales.

Get in touch

We're here to help

If you'd like to get in touch with us about your investment, or to find out more about the products and services we offer, you can:

WRITE TO US

Puma Investments
Cassini House
57 St James's Street
London SW1A 1LD

EMAIL US

investorsupport@pumainvestments.co.uk

CALL US

Investor Services Team
020 7408 4100

Risk factors

An investment with Puma Investments carries risks ; for more information please see below and visit www.pumainvestments.co.uk. Past performance is no indication of future results and share prices and their values can go down as well as up. Minimum returns are not guaranteed. An investment with Puma Investments can be viewed as high risk. Investors' capital may be at risk and investors may get back less than their original investment. Tax reliefs depend on individuals' personal circumstances, minimum holding periods and may be subject to change. Some investments should be regarded as illiquid and it may prove difficult for investors to realise immediately or in full the proceeds.

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