

Market Pulse

Analysis of the key trends in the SME sector,
prepared by Fitzgerald Power on a quarterly basis.

Q2 2022

Summary Q2 2022

M&A activity

According to data from Renatus, there were 226 deals completed in H1 2022 compared to 200 in H1 2021. Foreign businesses acquiring Irish companies have been the primary category of acquirers in both H1 2021 and H1 2022.

Irish economic outlook

IBEC have noted that some parts of Ireland's economy are in slowdown, as growth in consumer spending and investment has eased. Growth in consumer spending is expected to slow to 4% in 2023, while domestic investment will grow by just under 4%.

Corporate tax

Corporate tax receipts in Ireland brought in nearly €9bn in the first half of 2022. Foreign direct investment continues to increase, with the number of investments in the first half up 9% on the same period in 2021.

Global economic trends

Global economic growth is expected to be lower than previous estimates over the second half of 2022 as the US Federal Reserve continued to increase interest rates, targeting a range of 2.25% to 2.5%. The United States officially entered a recession in Q2, although the economy continues to create new jobs, 528,000 in the last month.

Rising prices

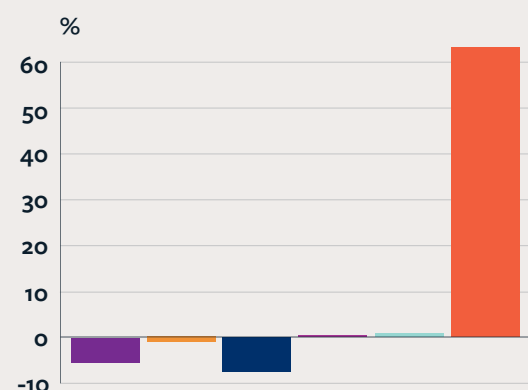
Inflation in the Eurozone rose 8.6% year on year in June, with energy remaining the biggest contributor to accelerating prices, rising 41.9%. Core inflation, which excludes volatile factors such as energy but also food, alcohol and tobacco remained stable at 3.7%.

Revenue Pulse

The total value of seasonally adjusted annual sales decreased in June 2022 versus the same period last year by 0.9%.

Sales Growth

Annual change to June 2022



Sector

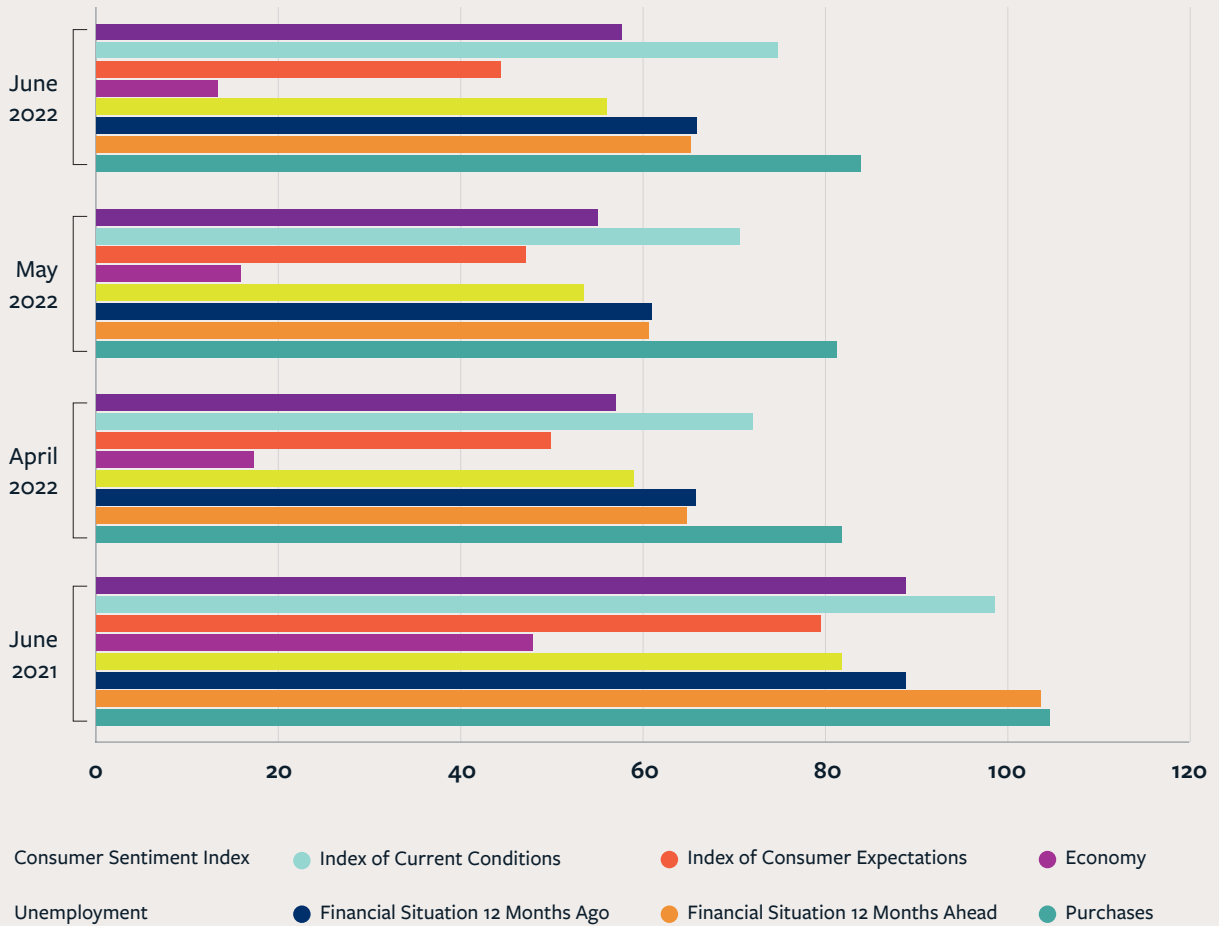
- Motor Trades -5.7%
- Department Stores -1.6%
- Food, Beverage & Tobacco -8.9%
- Clothing, Footwear & Textiles 0.2%
- Hardware, Paints & Glass 2.1%
- Bars 63.8%

SOURCE: CSO

Consumer Pulse

According to KBC Bank, consumer confidence has decreased in June vs the same period last year

KBC Bank Ireland Consumer Sentiment Index



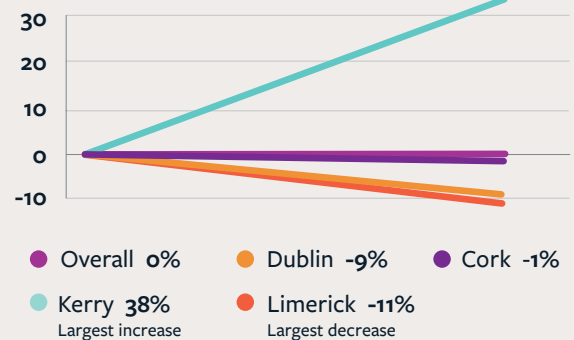
SOURCE: KBC BANK IRELAND

Footfall Pulse

Mobility has not changed compared to the same period last year in retail and recreation.

The largest decrease was seen in Limerick where mobility declined 11%, whereas the biggest increase was in Kerry at 38%. Mobility declined 1% in Cork and 9% in Dublin over the period.

Changes in footfall

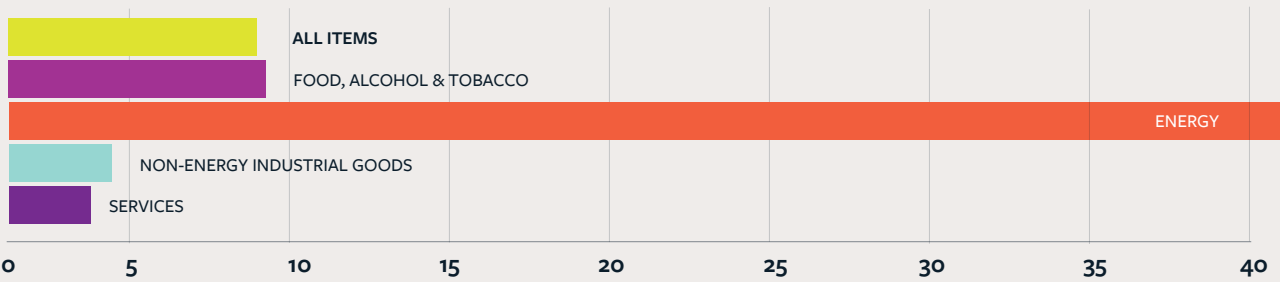


SOURCE: GOOGLE MOBILITY

Inflation Pulse

Inflation in the Eurozone increased by 8.6% year on year to June 2022. Inflation was strongest again in the energy sector, which is the driver of inflation in the European Union.

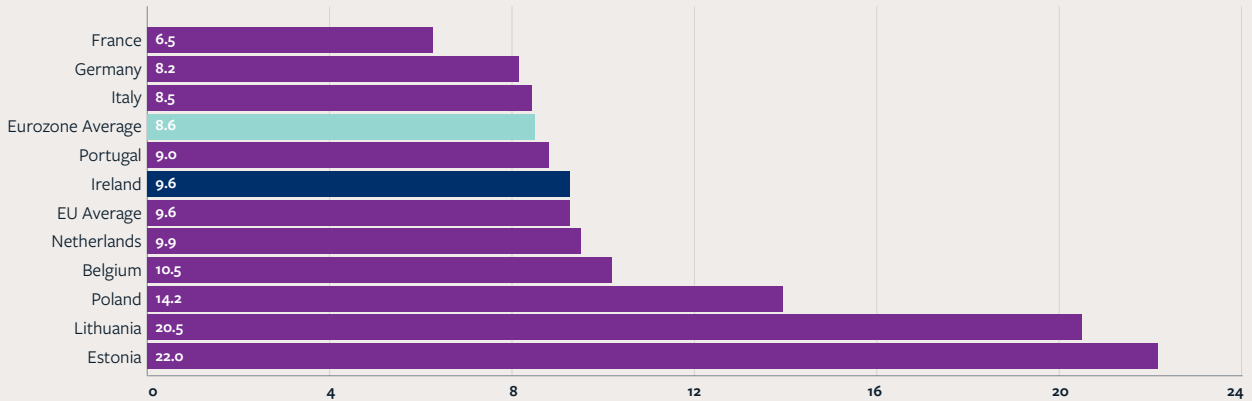
Euro area annual inflation



SOURCE: EUROSTAT

Ireland's level of inflation was in line with the European union average in June.

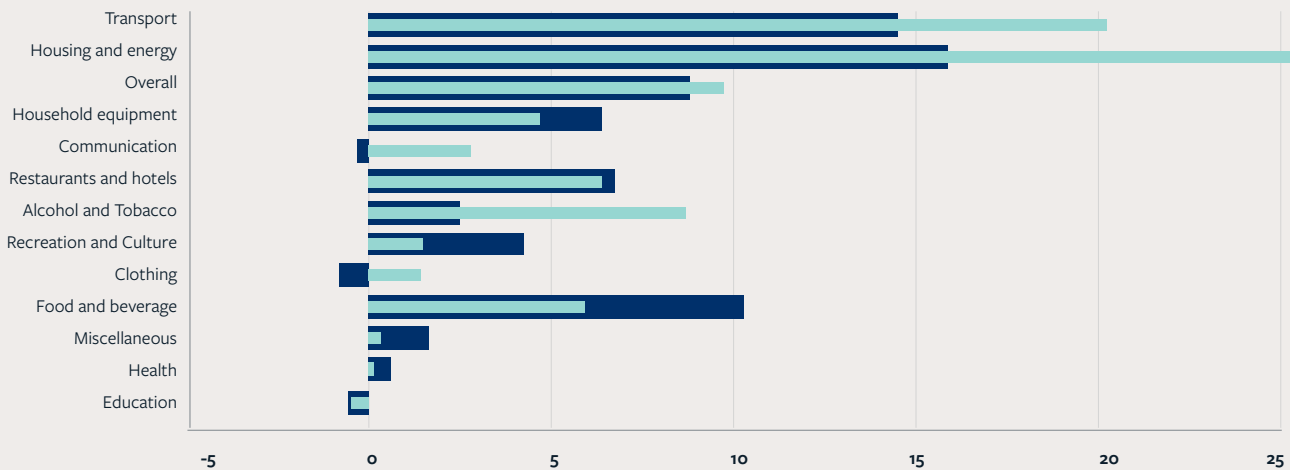
Average inflation across European countries



SOURCE: EUROSTAT

Inflation in Ireland and Euro area

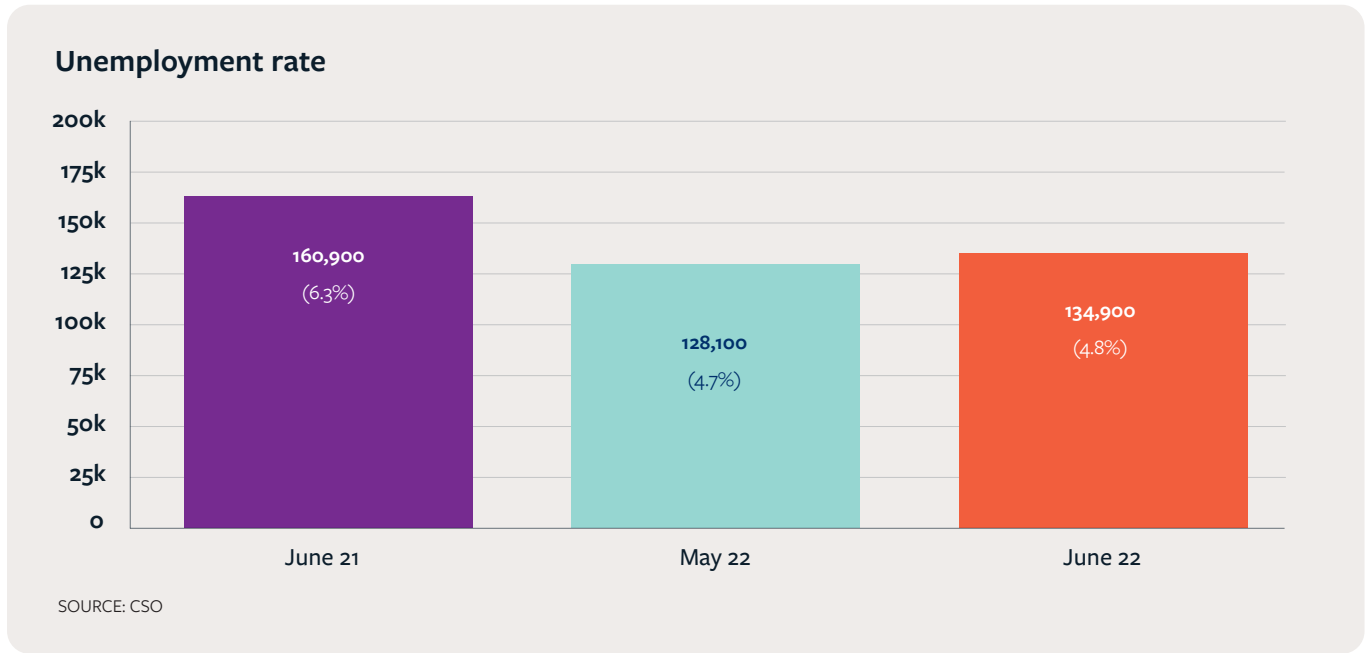
● Euro Area ● Ireland



SOURCE: EUROSTAT

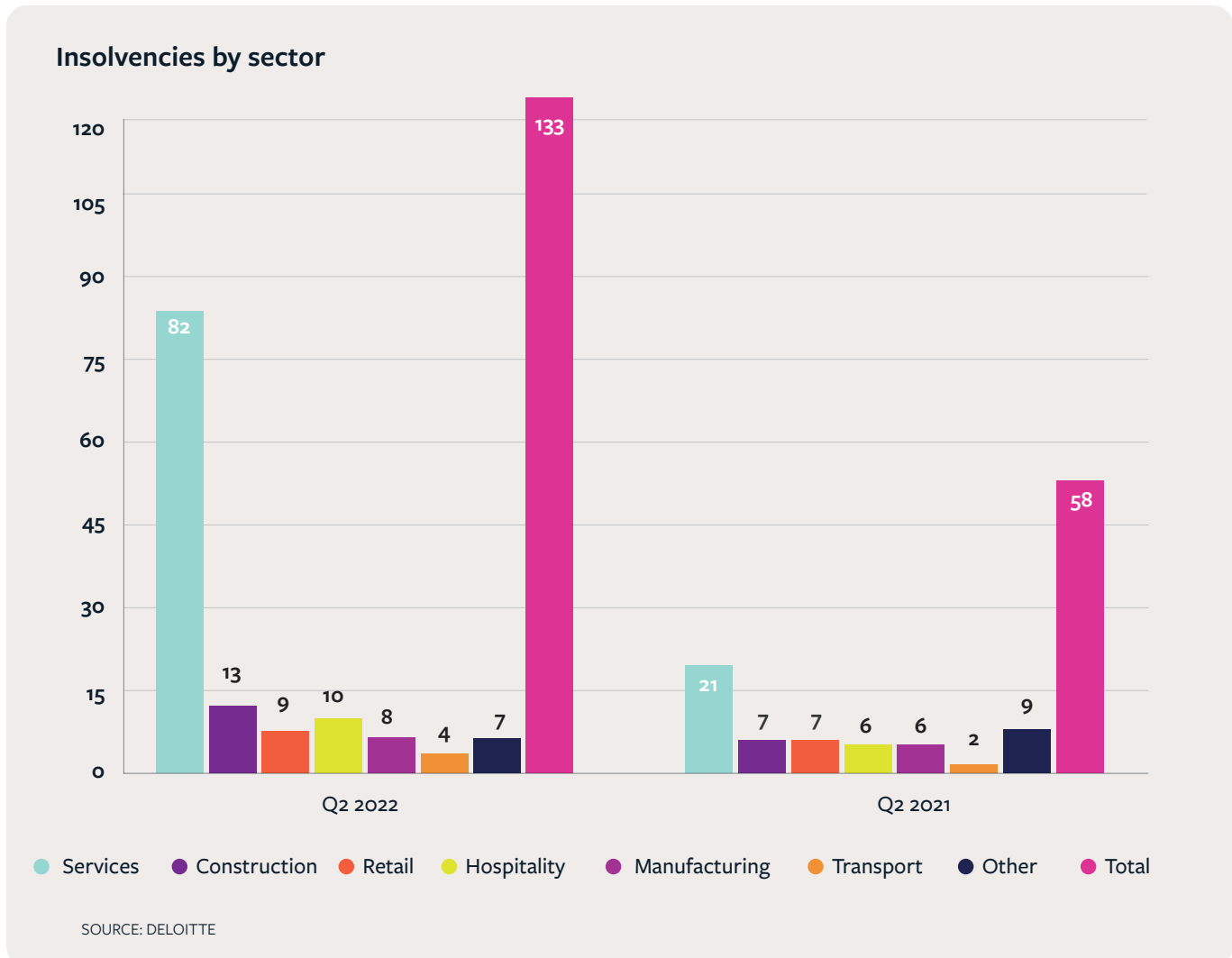
Employment Pulse

The number of people unemployed continued to decline, falling by 26,000 in June 2022 against the same period in 2021.



Insolvency Pulse

133 corporate insolvencies were recorded in Ireland in the second quarter of 2022, an increase from 58 for Q2 2021.



Fitzgerald Power is a leading financial advisor to the Irish SME sector.

We provide accountancy, corporate finance and taxation advice to businesses across the country.

We'd love to hear from you so please get in touch if you think we can help.

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