

Market Pulse

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

Q1 2026

Summary Q1 2026

Irish Economy

Quarterly National Accounts data show strong investment growth drove a rebound in Modified Domestic Demand (MDD) in 2025, rising 4.9% for the year and 6.7% in Q4, marking a clear acceleration from 2024, largely driven by domestic construction and multinational-led investment, alongside gains in software and R&D. However, broader indicators point to moderating momentum, with slower jobs growth, weaker domestic sector output, and the Central Bank's Business Cycle Indicator suggesting activity softened slightly from mid-2025.

Global Economy

According to Euromonitor, the global economy remains resilient, supported by easing inflation, accommodative policy and strong technology investment, though growth is set to ease slightly to 3.1% in 2026 amid ongoing trade and geopolitical uncertainty. Advanced economies face constrained growth while developing markets lead expansion, with moderating inflation providing support but persistent risks from tariffs, geopolitical tensions and structural pressures on prices.

Start-ups

Company start-ups rose 14% year-on-year in Q1 2026, driven by strong sectoral and regional growth, signalling continued entrepreneurial confidence despite a more cautious outlook reflected in declining commercial judgments and fewer first-time directors.

Housing Market

MyHome reports, Ireland's housing market is showing moderating price growth, with asking price inflation easing to 4.7% amid affordability pressures and slower mortgage activity, though constrained supply and strong demand continue to sustain competition.

Irish GDP

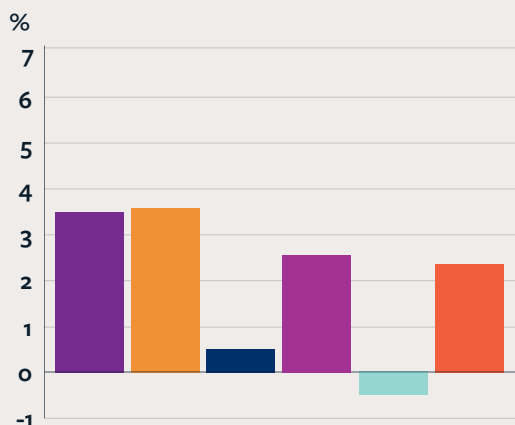
Preliminary CSO figures indicate that GDP declined by 2.0% in Q1 2026, primarily driven by a contraction in the multinational-dominated industrial sector.

Revenue Pulse

The value of Retail Sales was 0.5% higher in March 2026 than in February 2026 and was up by 3.8% when compared with March 2025.

Sales Growth

Annual change to March 2026



Sector

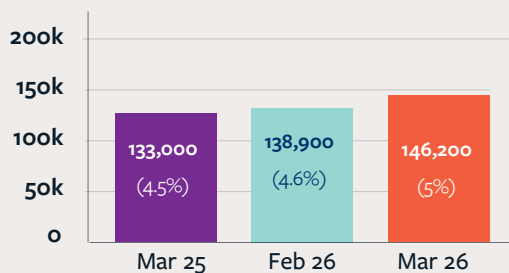
- Motor Trades 3.5%
- Department Stores 3.6%
- Food, Beverage & Tobacco 0.5%
- Clothing, Footwear & Textiles 2.6%
- Hardware, Paints & Glass -0.4%
- Bars 2.3%

SOURCE: CSO

Employment Pulse

The number of people unemployed increased by 13,200 in March 2026 when compared to the same period in 2025.

Unemployment Rate

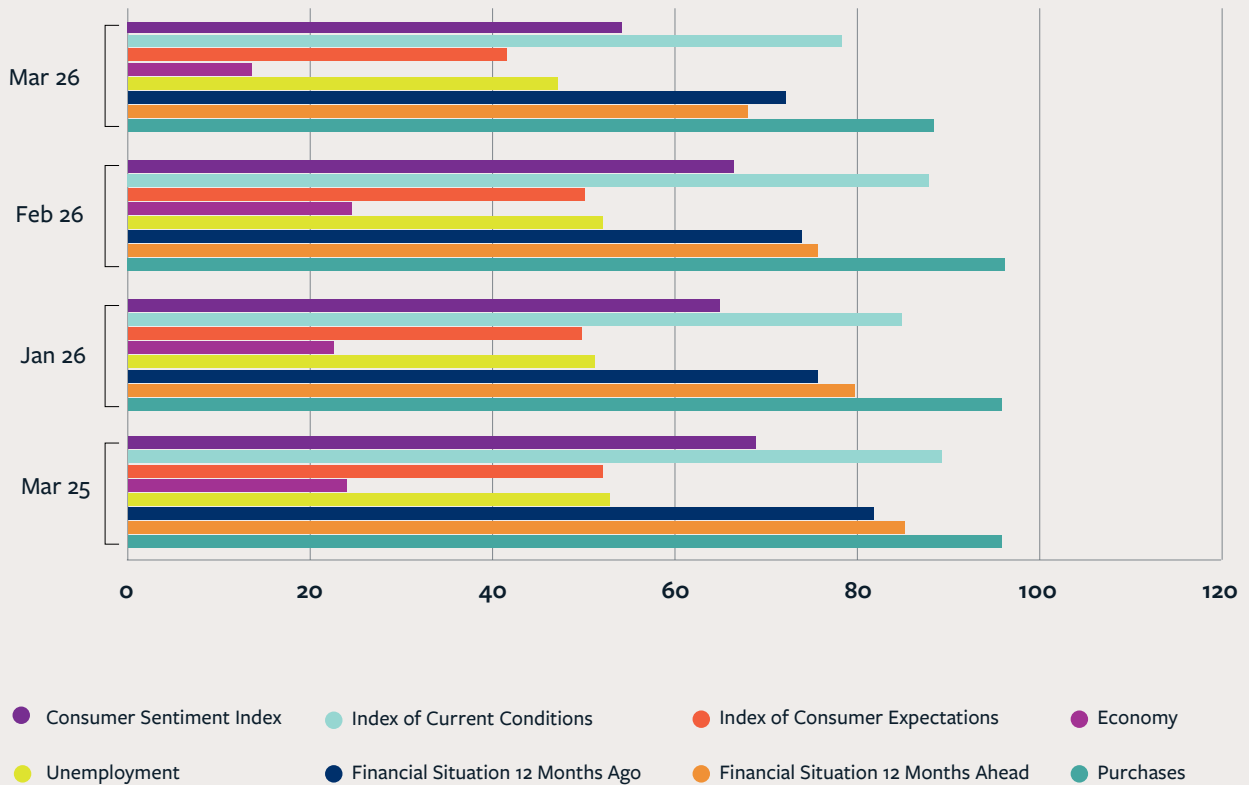


SOURCE: CSO

Consumer Pulse

Irish consumer sentiment fell sharply to a three-year low in March 2026, driven by rising costs, geopolitical instability and weaker economic expectations, signalling a more cautious outlook for spending despite resilience in the broader economy.

Credit Union Consumer Sentiment Index

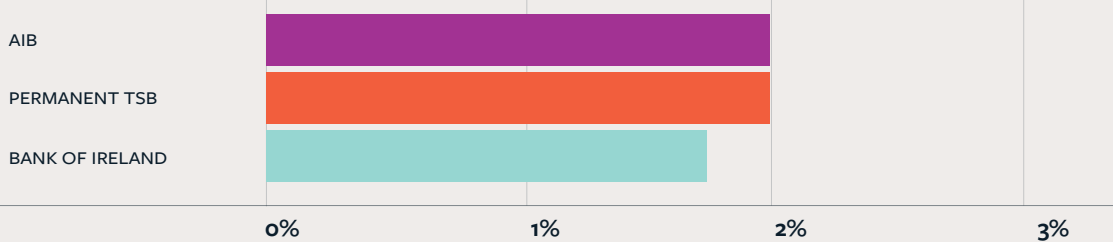


SOURCE: CREDIT UNION

Deposit Rate Pulse

12-month fixed bank deposit interest rates have converged at a similar level in Q1 2026 across the three banks featured.

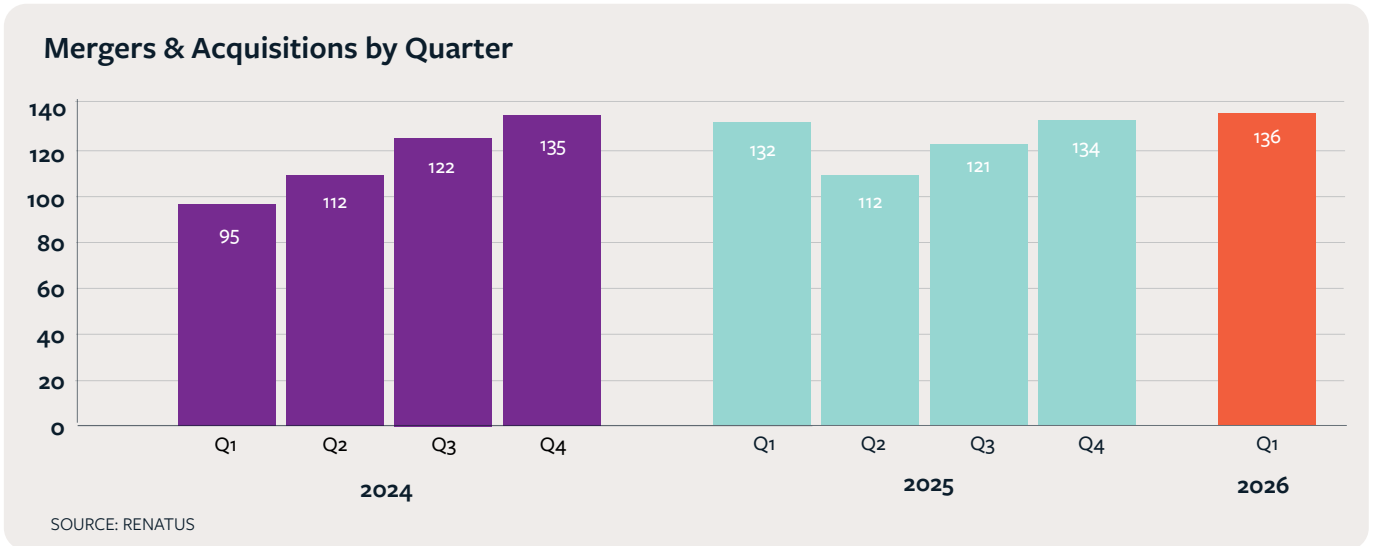
Bank Deposit Rates



SOURCE: FITZGERALD POWER

Mergers & Acquisitions Pulse

According to the Renatus M&A Report for Q1 2026, Ireland's M&A market remained resilient in Q1 2026, with deal activity rising 3% year-on-year, driven by strong domestic investment and in-market transactions, while private equity moderated but remained above historic levels amid ongoing global uncertainty.





136 deals recorded in Q1'26, up 3% on Q1'25 which were 132.



Irish-based entities completed 58 acquisitions in Q1'26, up from 39 in Q1'25.

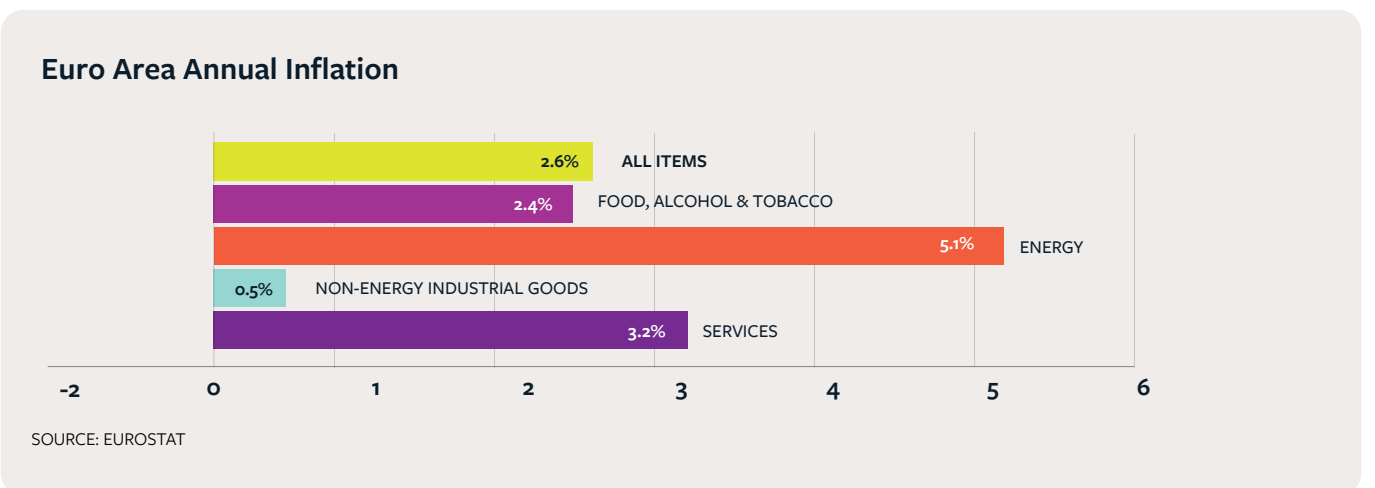


Of the 136 deals in Q1'26, 51 (c. 38%) were conducted by international acquirers compared to 57 in Q1'25 (c. 43%).

SOURCE: RENATUS

Inflation Pulse

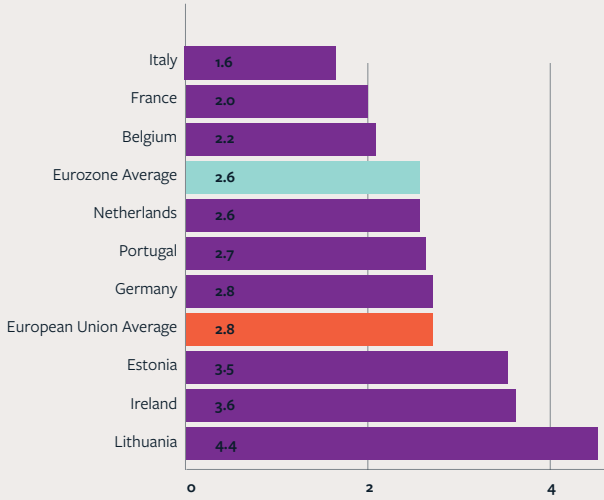
The euro area annual inflation rate was 2.6% in March 2026, up from 1.9% in February. A year earlier, the rate was 2.2%.



Ireland's level of inflation at 3.6% is above the Eurozone average of 2.6%.

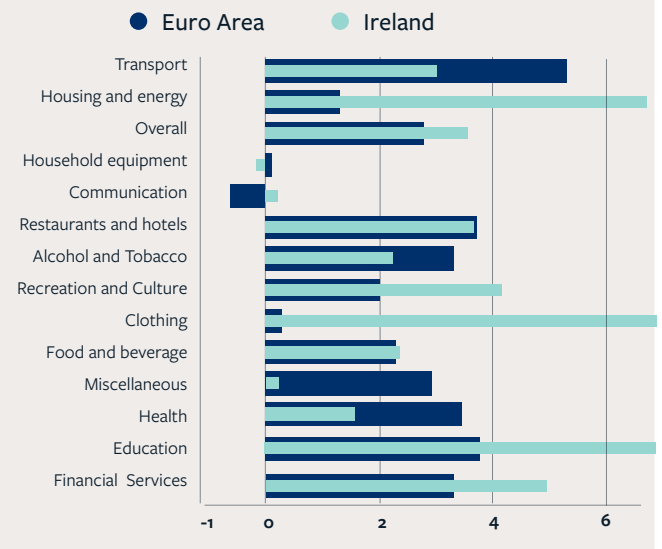
Ireland is above the Euro area average for inflation in most components, apart from Alcohol & Tobacco, Household equipment, Health and Transport. Ireland is considerably higher in Housing/Energy, Education and Clothing.

Average Inflation Across European Countries



SOURCE: EUROSTAT

Inflation in Ireland and Euro area

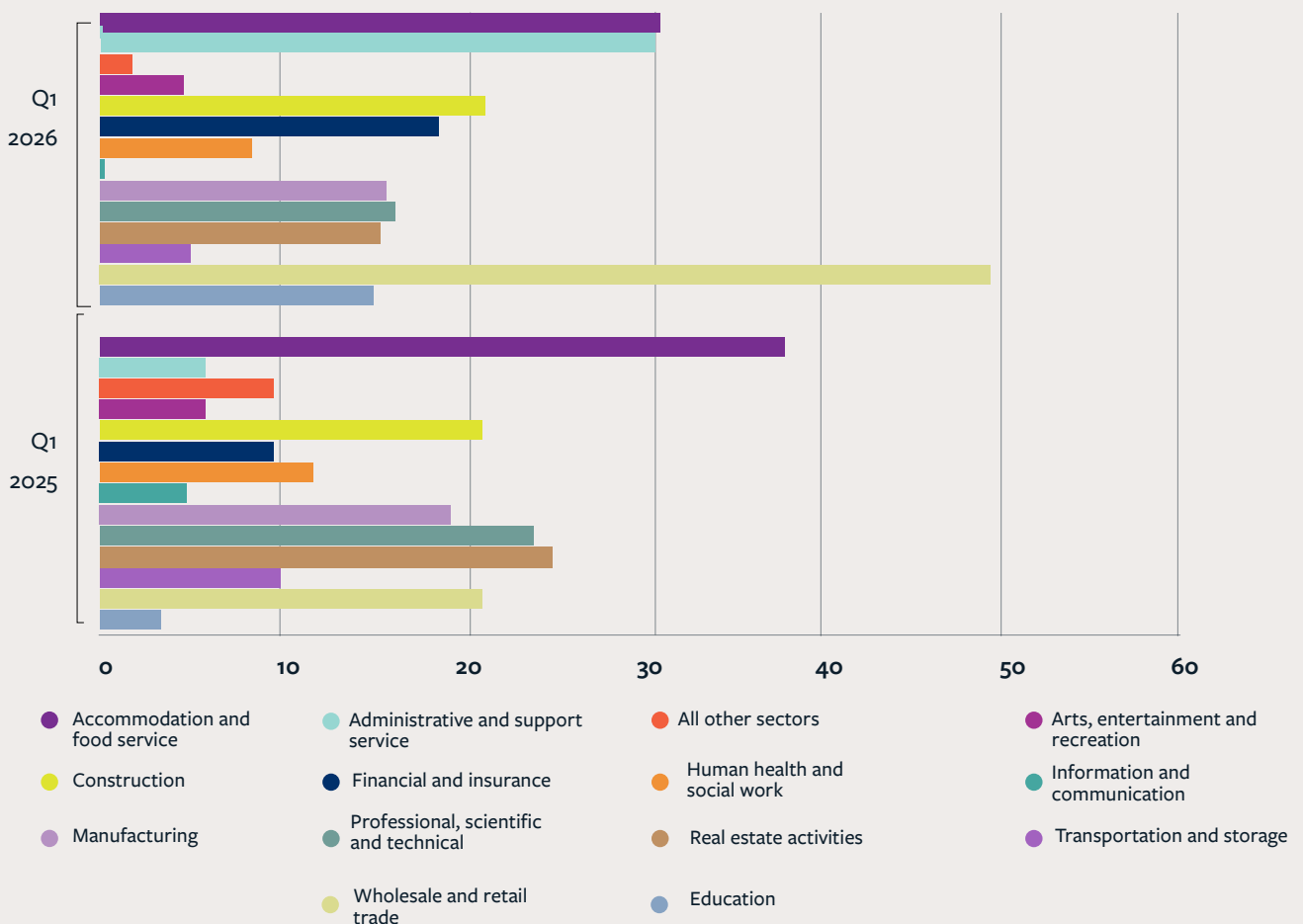


SOURCE: EUROSTAT

Insolvency Pulse

Data provided by Interpath Advisory shows a total of 216 insolvencies were recorded in Q1 2026, which is an increase of 4.85% from Q1 2025.

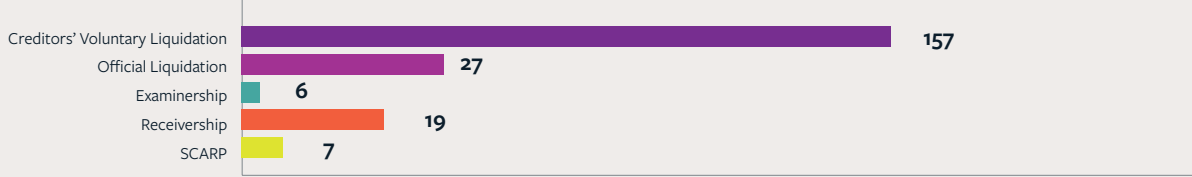
Insolvencies by Sector



SOURCE: INTERPATH ADVISORY

The majority of insolvencies have been voluntary liquidations.

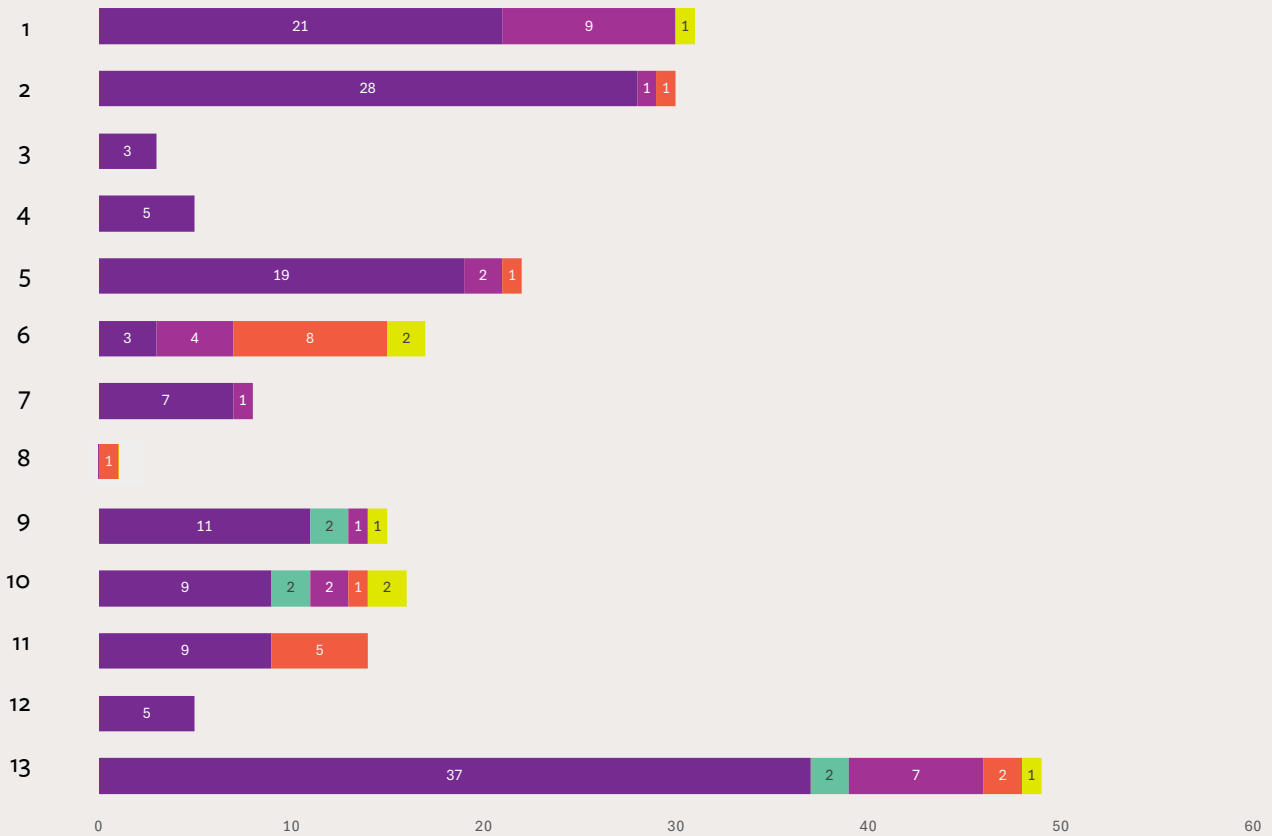
Assignment Type



SOURCE: INTERPATH ADVISORY

Although there is considerable variation in type of insolvency by sector.

Assignment Type by Sector



- 1. Accommodation and food service
- 2. Administrative and support service
- 3. All other sectors
- 4. Arts, entertainment and recreation
- 5. Construction
- 6. Financial and Insurance
- 7. Human health and Social Work
- 8. Information and Communication
- 9. Manufacturing
- 10. Professional, scientific and technical
- 11. Real estate activities
- 12. Transportation and Storage
- 13. Wholesale and retail trade

SOURCE: INTERPATH ADVISORY

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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