Market Pulse

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

Q2 2026

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Summary Q2 2026

Irish Economy

Modified Domestic Demand (MDD) grew by 4.3% in Q1 2026, driven by strong multinational investment in AI, data centres and construction, despite early signs of slowing domestic activity. More domestic indicators, including consumer spending, tax receipts and labour market data, point to moderating growth, while the Central Bank's Business Cycle Indicator suggests economic momentum weakened towards the end of the quarter. Overall, the economy continues to expand but at a more measured pace, with underlying conditions softening.

Global Economy

According to Euromonitor, the global growth outlook for 2026 has been revised down to 2.9% as energy market disruption and geopolitical conflict drive higher inflation, trade costs and economic uncertainty. Advanced and emerging economies face differing levels of resilience, with energy security and supply chain strength becoming increasingly critical to sustaining growth..

Start-ups

Irish start-up activity remained robust in Q2 2026, with a record first half of the year reflecting sustained entrepreneurial confidence despite ongoing global economic uncertainty and cost pressures.

Housing Market

MyHome reports that Ireland's housing market saw asking price inflation rise to 5% in Q2 2026, with persistent supply constraints and strong buyer competition outweighing affordability pressures despite improving housing supply and construction activity.

Irish GDP

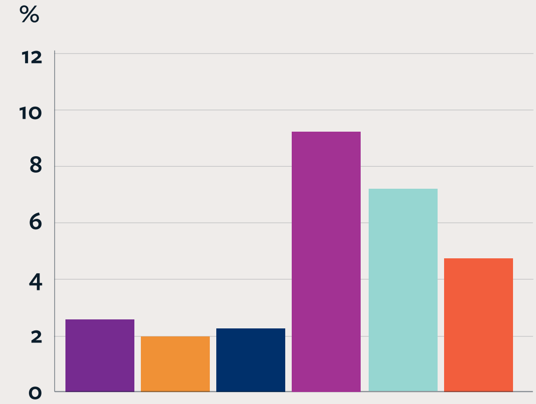
Preliminary CSO figures indicate that GDP increased by 3.9% in Q2 2026, primarily driven by an increase in the multinational dominated sector of Information & Communication.

Revenue Pulse

The value of Retail Sales was 0.4% higher in June 2026 than in May 2026 and was up by 2.8% when compared with June 2025.

Sales Growth

Annual change to March 2026



Sector

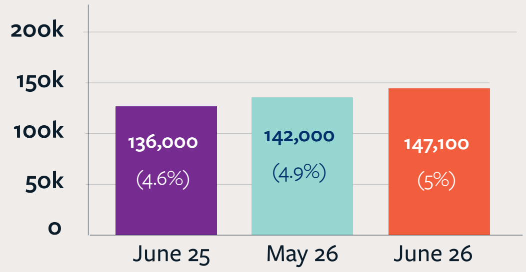
- Motor Trades **2.4%**
- Department Stores **2.0%**
- Food, Beverage & Tobacco **2.2%**
- Clothing, Footwear & Textiles **9.0%**
- Hardware, Paints & Glass **7.3%**
- Bars **4.3%**

SOURCE: CSO

Employment Pulse

The number of people unemployed increased by 10,900 in June 2026 when compared to the same period in 2025.

Unemployment Rate

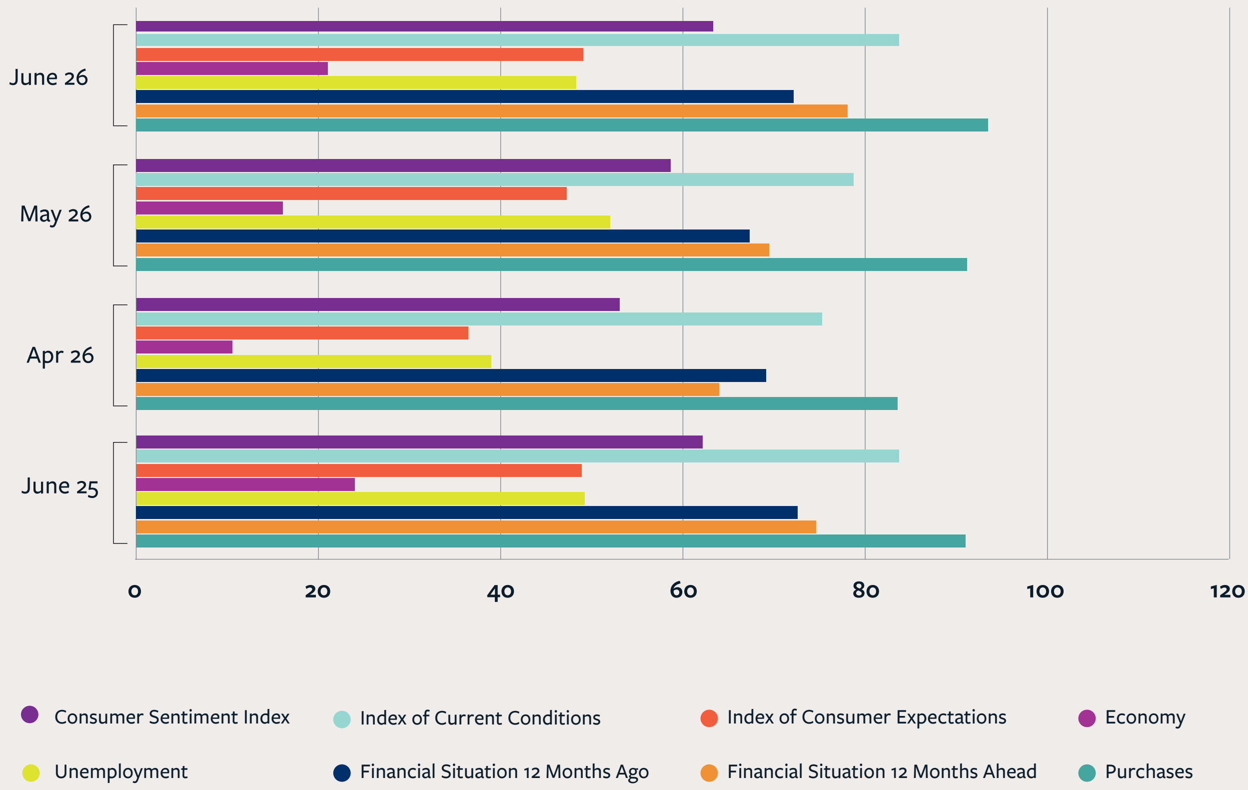


SOURCE: CSO

Consumer Pulse

Irish consumer confidence improved for a second consecutive month in June as easing geopolitical tensions and lower energy costs lifted sentiment, although confidence remained below pre-conflict levels amid ongoing financial pressures and economic uncertainty.

Credit Union Consumer Sentiment Index

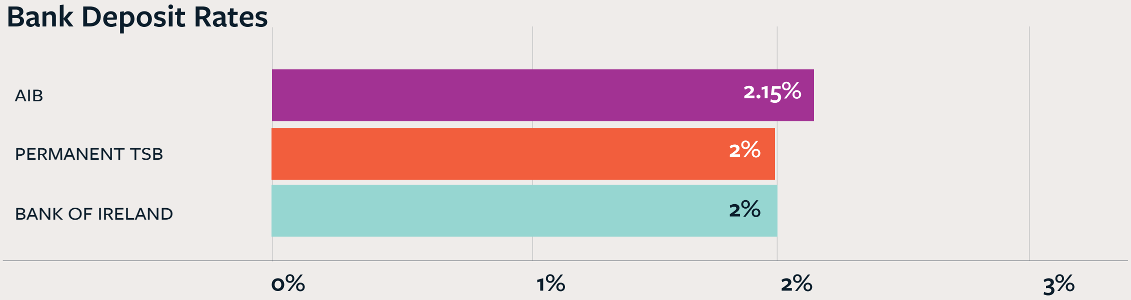


SOURCE: CREDIT UNION

Deposit Rate Pulse

The 12-month fixed bank deposit interest rate offered by Bank of Ireland increased in Q2, from 1.75%. Permanent TSB and AIB have remained at the same level as in Q1.

Bank Deposit Rates

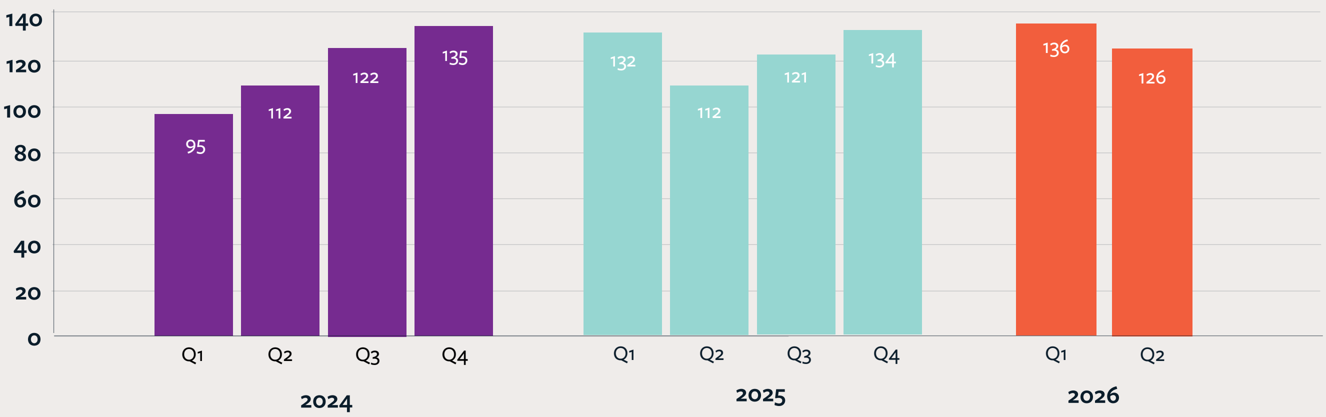


SOURCE: FITZGERALD POWER

Mergers & Acquisitions Pulse

According to the Renatus M&A Report, Ireland's M&A market outperformed global trends in H1 2026, with strong domestic dealmaking, active buy-and-build strategies and continued corporate investment underpinning resilient transaction activity despite a moderation in private equity volumes.

Mergers & Acquisitions by Quarter



SOURCE: RENATUS

262 deals recorded in H1'26, up 7% from 244 in H1'25.

107 in-market transactions completed in H1'26, up from 72 in H1'25 (+49%).

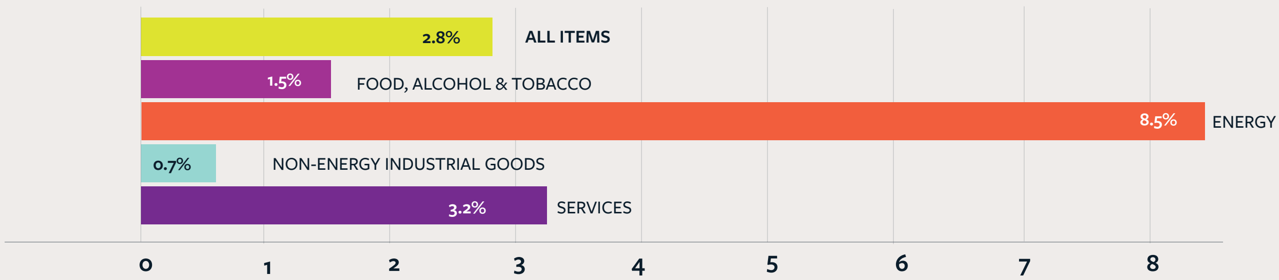
International acquirers completed 96 inbound acquisitions in H1'26, down from 101 in H1'25 (-5%).

SOURCE: RENATUS

Inflation Pulse

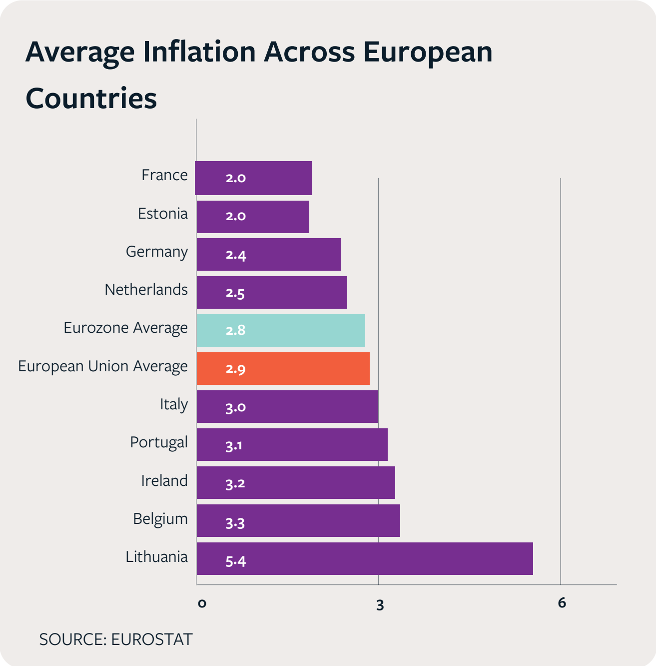
The euro area annual inflation rate was 2.8% in June 2026, down from 3.2% in May. A year earlier, the rate was 2.0%.

Euro Area Annual Inflation

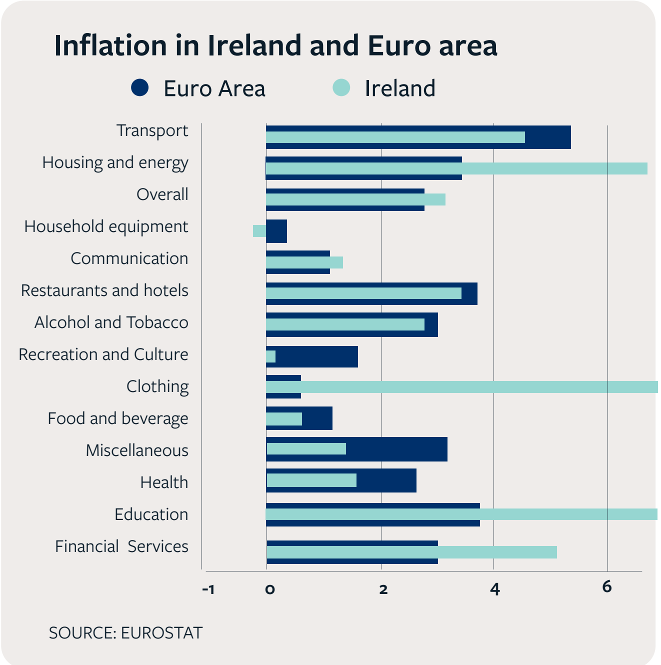


SOURCE: EUROSTAT

Ireland's level of inflation at 3.2% is above the Eurozone average of 2.8%.

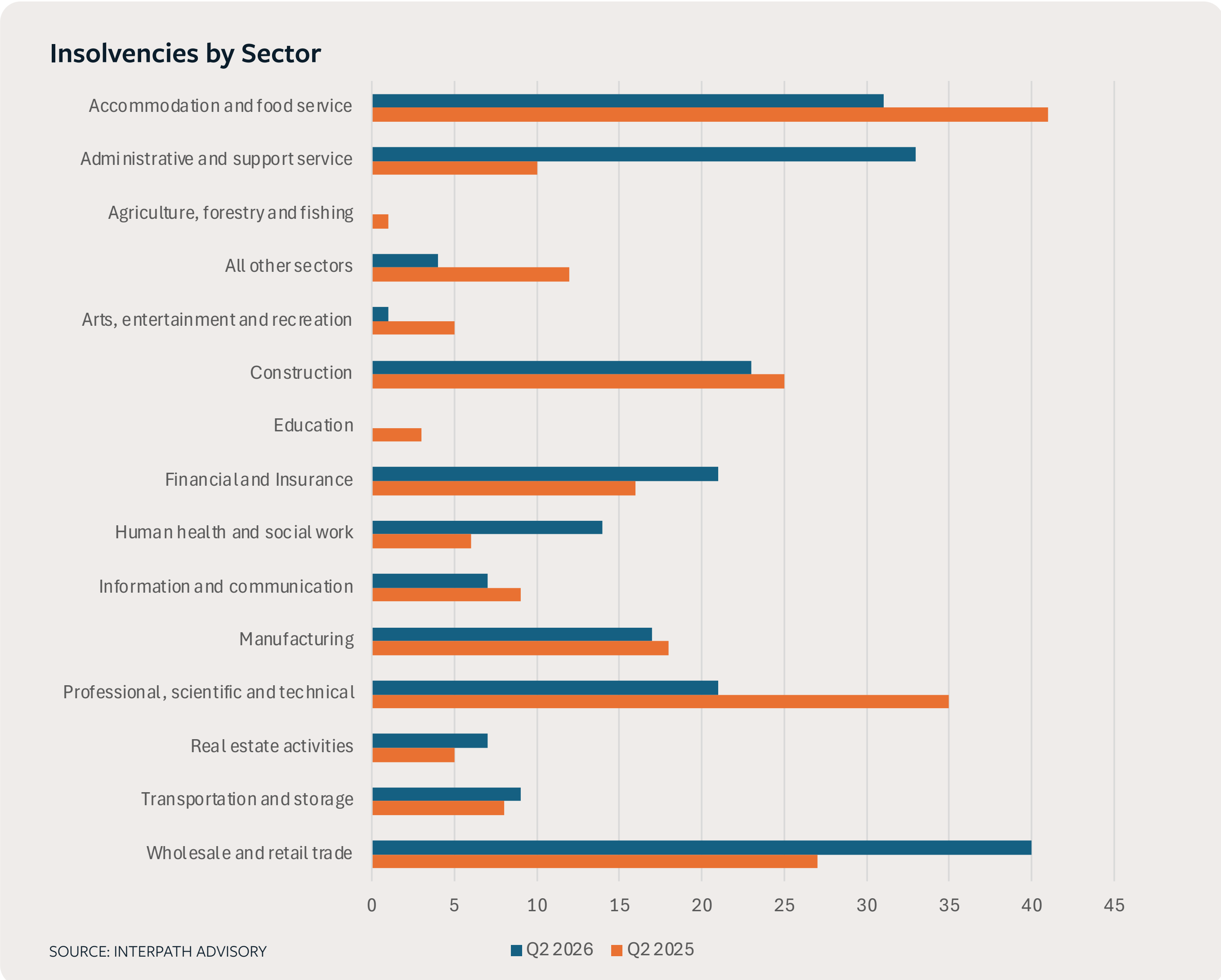


Ireland continues to record higher inflation than the Euro area across most key categories, with the widest gaps in Housing/ Energy, Education, Clothing and Financial Services. Inflation remains lower than the Euro area in Food & Beverages, Alcohol & Tobacco, Health, Transport and several consumer service categories.

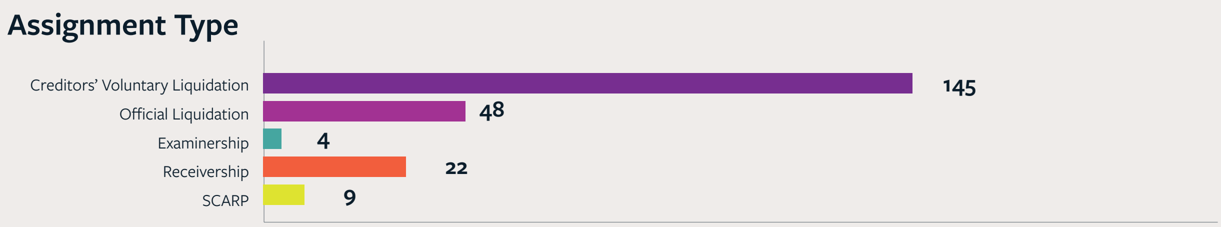


Insolvency Pulse

Data provided by Interpath Advisory shows a total of 228 insolvencies were recorded in Q2 2026, which is a slight increase from 221 in Q2 2025.

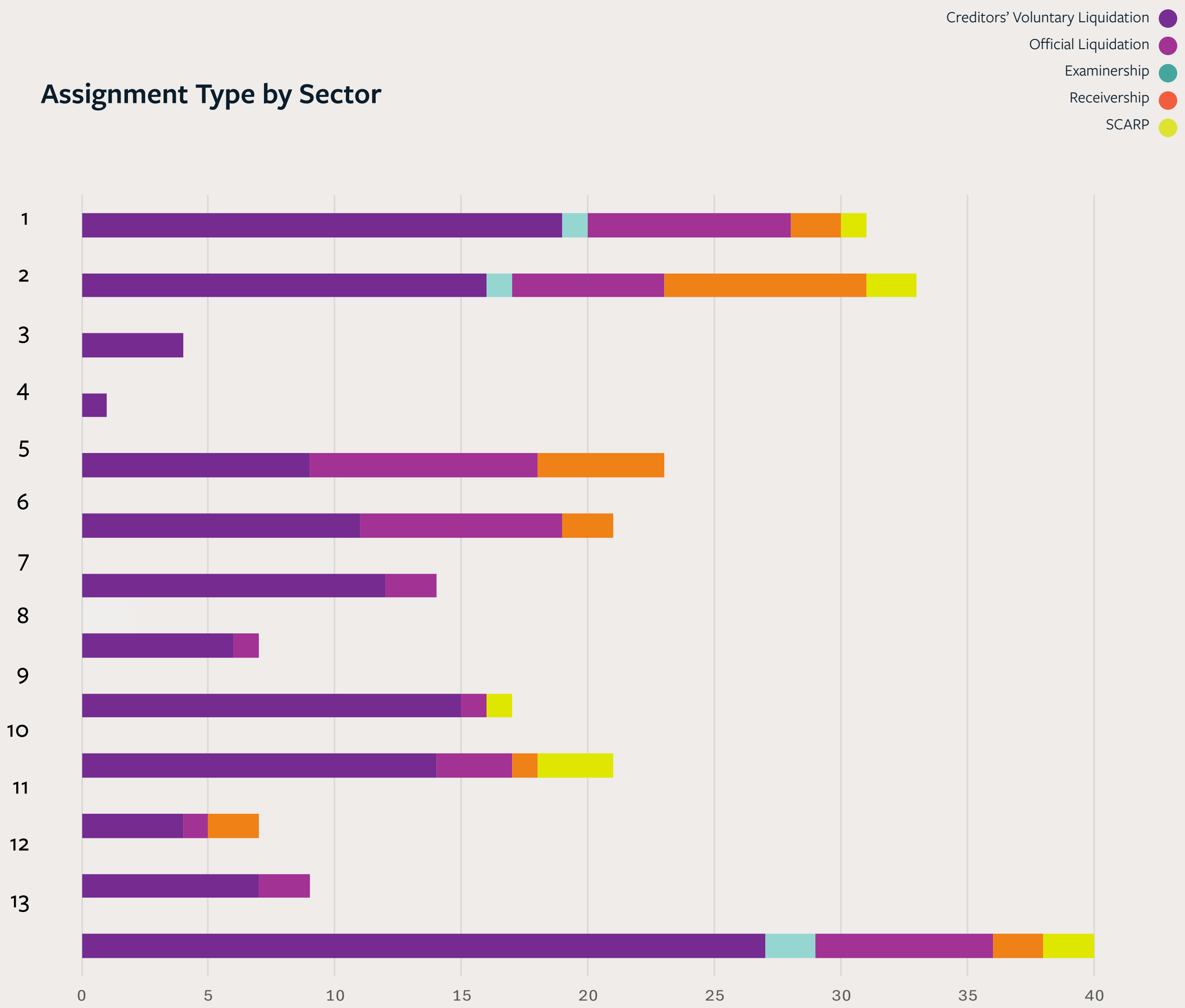


The majority of insolvencies have been voluntary liquidations.



SOURCE: INTERPATH ADVISORY

Although there is considerable variation in type of insolvency 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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