

Ireland Strategic Investment Fund

H1 2021 Update
Incorporating Economic Impact Report FY 2020

Published
7 September 2021



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

Ciste Infheistíochta Straitéisí d'Éirinn
Ireland Strategic Investment Fund

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H1 2021 ISIF Performance Update



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Key Points

1

Strong ISIF Portfolio investment return of +5.2% H1 2021, over €450m in investment gains. Over €2.2bn since inception (Dec 2014).

2

Irish Portfolio €1.4 billion value added and Global Portfolio over €800 million value added since inception (Dec 2014).

3

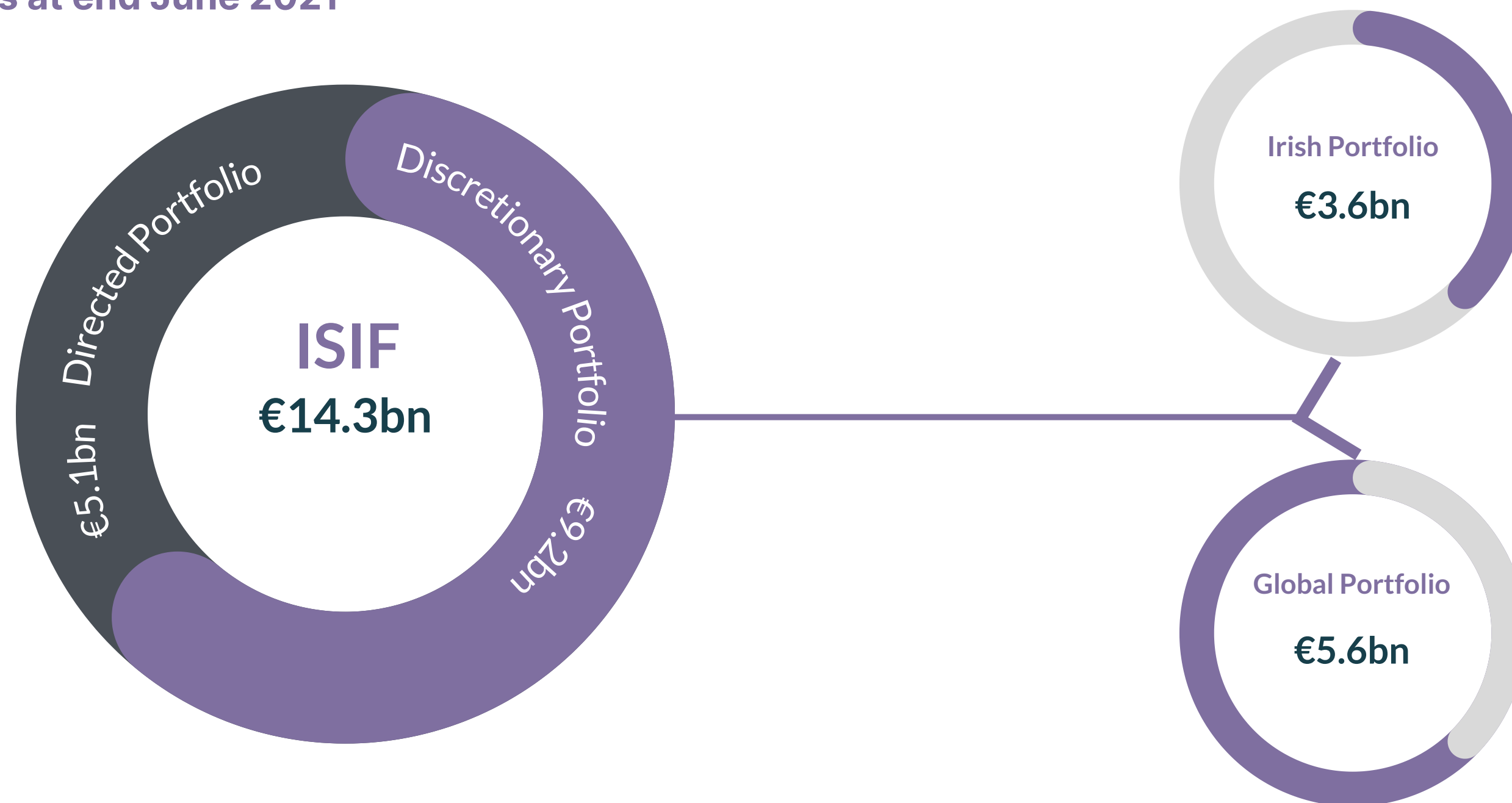
ISIF made 10 investments in H1 2021 bringing total ISIF commitments to €5.2 billion across 151 investments. ISIF investment has catalysed a further €8.9 billion of co-investment commitments since inception - a multiple of 1.7x the amount invested by ISIF.

4

Over 48,855 jobs supported and over €1.2 billion Gross Value Added to the Irish economy through ISIF capital (to end 2020).

ISIF Overview

as at end June 2021



Note: All financials as at 30 June 2021 are preliminary and unaudited



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ISIF performance overview - end June 2021



Irish Portfolio €1.4 billion of value added since inception (Dec 2014) **Return of +7.0% H1 2021**, +9.1% p.a. since inception



Global Portfolio over €800 million of value added since inception (Dec 2014) **Return of +4.0% H1 2021**, +2.2% p.a. since inception



ISIF Portfolio **over €2.2 billion** of value added since inception (Dec 2014) **Return of +5.2% H1 2021**, +4.1% p.a. since inception



ISIF made **10 investments in H1 2021** bringing total ISIF commitments to **€5.2 billion across 151 investments**. ISIF investment has catalysed a further **€8.9 billion of co-investment commitments** since inception - a multiple of **1.7x** the amount invested by ISIF.

Note: All financials as at 30 June 2021 are preliminary and unaudited



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Over €200m committed during H1 2021

Investments include



Aviation



Technology



SME Lending



Growth Equity



Venture

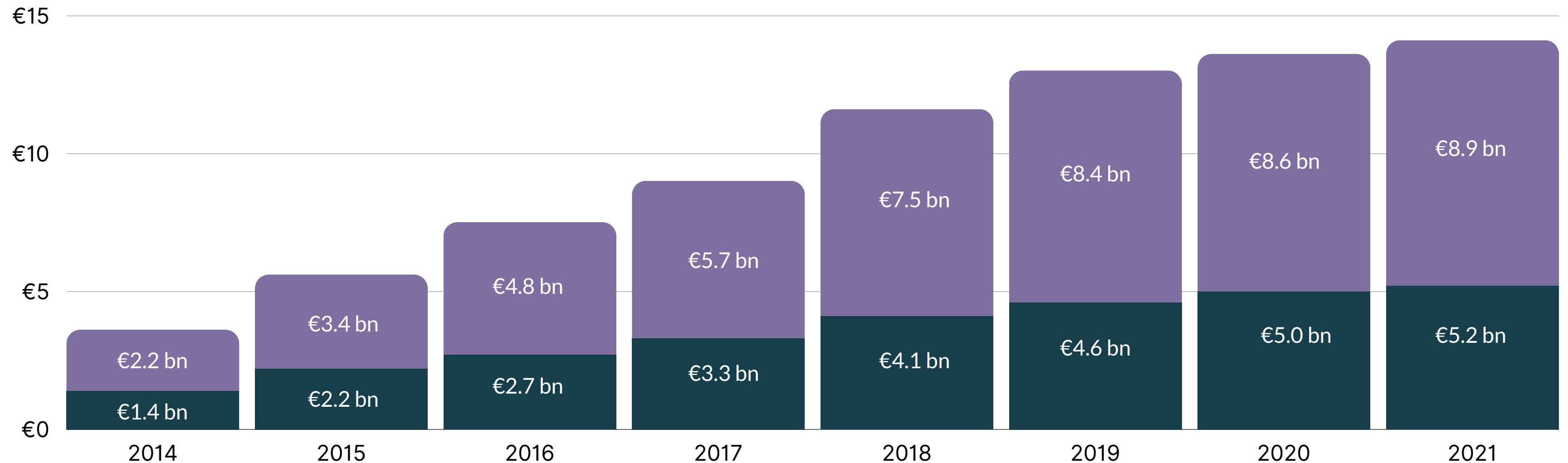


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ISIF Capital Unlocks Additional Co-Investment

Total Investment Committed in Ireland €billion



To 30 June
2021



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Note: All Financials as at 30 June 2021 are preliminary and unaudited



Ireland Strategic Investment Fund Economic Impact Data FY2020

Final – For Publication



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The unaudited Economic Impact Report as at 31 December 2020 was published on 8 September 2021. This restated report replaces that report.

Introductory Note

- During 2020, the COVID-19 pandemic created significant challenges for businesses in Ireland, and caused unemployment, global disruption and uncertainty.
- In response to this, in May 2020 the Minister for Finance announced the establishment within ISIF of a €2 billion Pandemic Stabilisation and Recovery Fund (PSRF) to invest in medium and large-scale businesses in Ireland impacted by COVID-19.
- Accordingly, ISIF adjusted its strategy to give priority to commercial investment in line with its statutory mandate to address the needs and critical gaps emerging in the economy.
- The underlying approach of the PSRF has been to invest on a commercial basis to support the economy moving from an initial *stabilisation* phase to a later *recovery* phase, before ultimately reverting to the priority themes in ISIF's strategy.
- Underpinning this approach has been the principle that ISIF could best support economic activity in Ireland by enabling otherwise viable medium and large businesses to sustain themselves in the near-term, and for these businesses to deliver additionality through their ability to persist and support employment over the medium term.
- During the course of 2020, a number of stabilisation investments were made under the revised PSRF strategy mandate, in addition to priority theme investments already concluded in line with ISIF's existing strategy.
- The FY2020 Economic Impact data presented within this report therefore reflects the combination of priority theme and PSRF investments made by ISIF throughout 2020.



FY 2020 Economic Impact Metrics

Reflects detailed survey data for FY 2020. Given the quantum of surveys of investees, underlying investees of indirect investments, and the comprehensive analysis completed, finalisation and publication of this economic impact data lags 6 months.



Jobs Supported by ISIF capital: 42,250

YoY: +3,283 jobs

- During 2020, total jobs (direct and indirect) in the portfolio has increased largely driven by investments made under the PSRF strategy mandate.



Gross Value Add (GVA)¹ : €1.134 billion

YoY: (€428) million

- The year-on-year decline in GVA within the portfolio has largely been driven by the addition of PSRF stabilisation investments, many of which experienced significant downward pressures on performance due to COVID-19.



Turnover: €3.3 billion

YoY: +€0.28 billion

- The portfolio has delivered a modest increase in turnover year-on-year, partially driven by the addition of PSRF investments, and also as a result of some downward COVID-19 pressures.

¹ Gross Value Added (GVA) is the enterprise or sector level measure of goods or services produced which, when aggregated across all enterprises and adjusted for taxes and subsidies, equals Gross Domestic Product (GDP)

FY 2020 Economic Impact Metrics

Reflects detailed survey data for FY 2020. Given the quantum of surveys of investees, underlying investees of indirect investments, and the comprehensive analysis completed, finalisation and publication of this economic impact data lags 6 months.

- Increase in employment within the Dublin region largely driven by the addition of stabilisation investments under PSRF.



Employment by Region:
53% Dublin / 47% ex-Dublin
YoY: Increase to Dublin region

- The wage bill has remained relatively flat year-on-year reflecting some minor falls in average salaries as well as modest growth in *direct* jobs.



Wage Bill: €1.12 billion
YoY: (€84) million

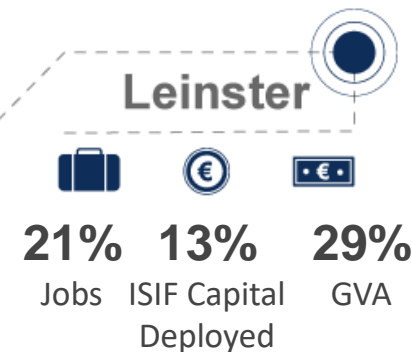
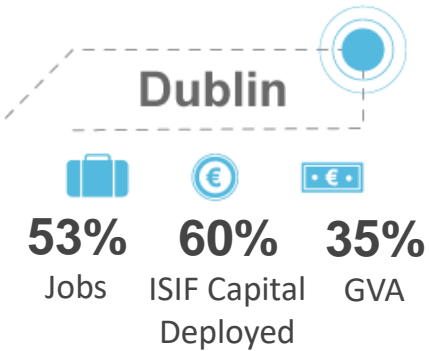
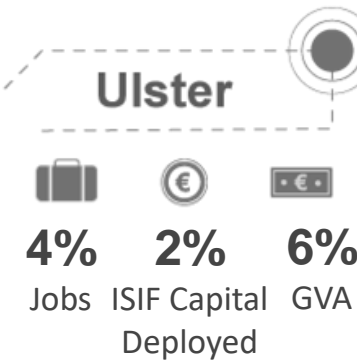
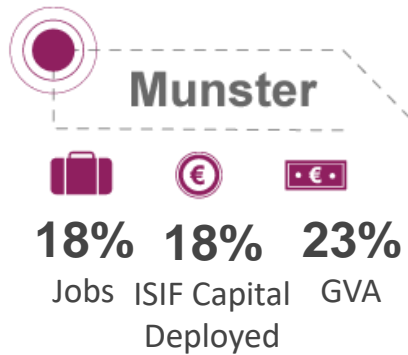
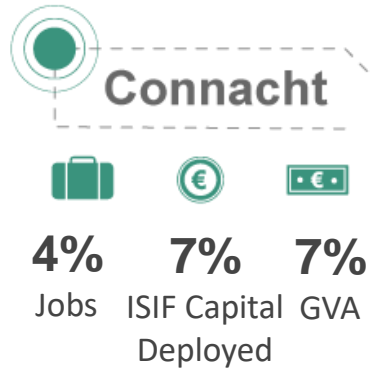
- Year-on-year, exports have declined from 28% to 25% of turnover. PSRF investments record minimal exports and, therefore, do not have a material impact on this figure.



Exports: €824 million
YoY: (€10) million

Regional economic impact of investments

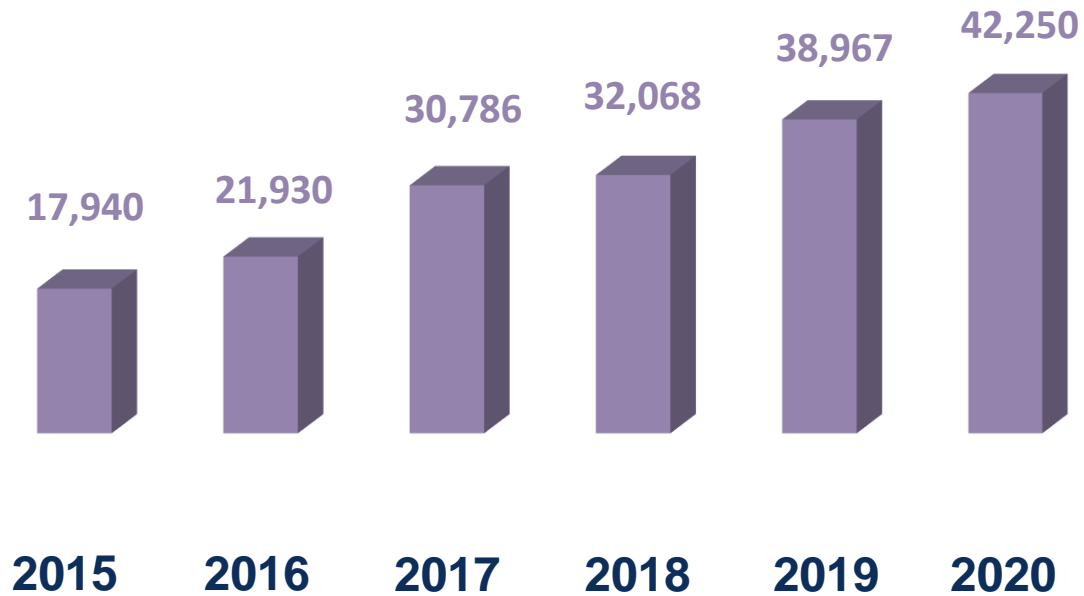
Geographically balanced, broadly in line with the regional economic activity*



*CSO Regional Split of GVA (2019)

Dublin 40% Leinster 18%
Munster 35% Connacht 4%
Ulster 3%

Employment supported by ISIF across the portfolio since inception



Total jobs supported in the portfolio declined in the first six months of the year (H1 2020). This was primarily driven by a reduction in construction jobs – a direct consequence of enforced lockdowns during the COVID-19 pandemic – as well as ISIF’s exit from Irish Water.

During the second half of the year (H2 2020), a number of large stabilisation investments were made under the PSRF strategy mandate. This created additionality by enabling associated jobs to persist in the economy, thereby increasing the total jobs supported in the portfolio.

Further growth in jobs supported was delivered from the underlying portfolio, the net position reflecting a number of exits, new investments, and growth in the existing portfolio (including growth in construction jobs).

Overall, jobs supported within the portfolio grew year-on-year.



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