



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

Ciste Infheistíochta Straitéisí d'Éirinn
Ireland Strategic Investment Fund

Ireland Strategic Investment Fund

26 May 2017

The Convention Centre Dublin





Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency

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Conor O'Kelly

Chief Executive, NTMA



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Investing in Ireland – 2020 and beyond

Eugene O'Callaghan

Director

Ireland Strategic Investment Fund





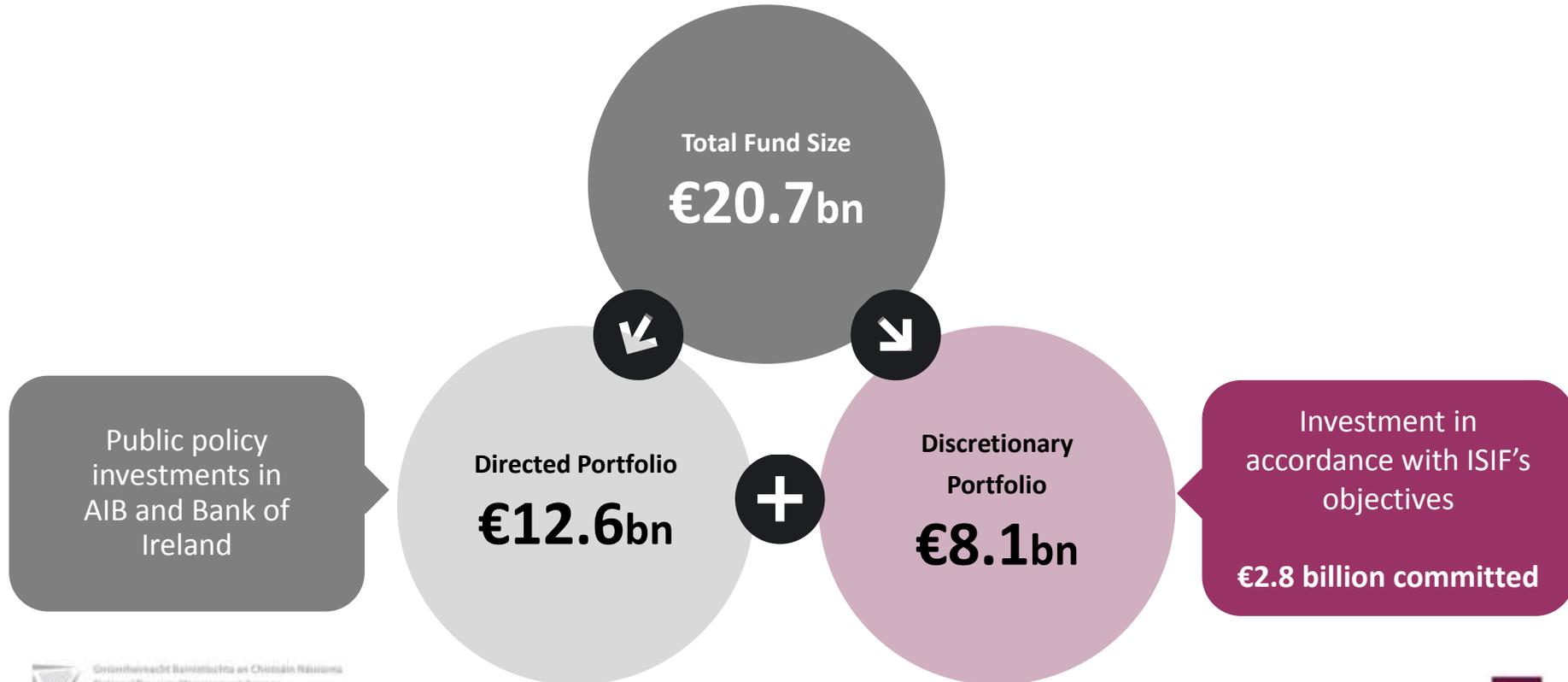
Invest on a commercial basis
to support economic activity
and employment in Ireland



Ionannbairceacht Bainistíochta an Chéimín Náisiúnta
National Treasury Management Agency

Ceim Inbhéartachta Stailleáil d'Éireann
Ireland Strategic Investment Fund

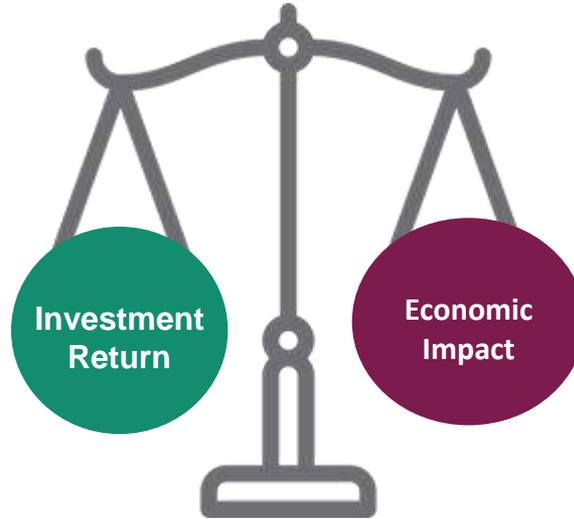
Fund Size and Structure



Notes:

1. *Figures preliminary and unaudited as at 31/3/2017*
2. *Preliminary AIB valuation as at Jan 2017*

Double Bottom Line Mandate



Commercial Return

✓ Risk adjusted expected return

✓ Flexibility in capital structure

✓ Portfolio return target >4%

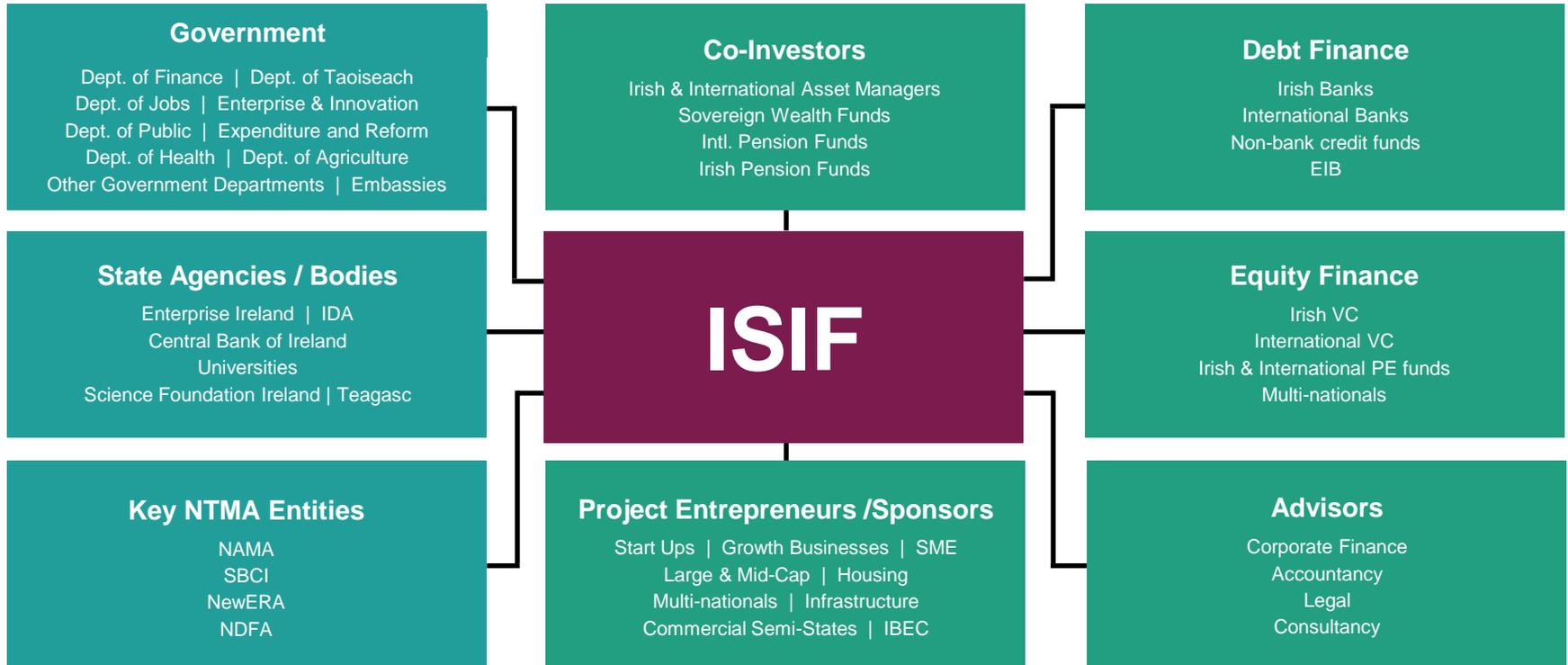
Economic Impact

✓ Additionality

✗ Deadweight

✗ Displacement

ISIF sits at the centre of an extensive and powerful investment network



Results so far

■ Deployment

- **€2.8 billion to date**
- €522m in 2016, €179m ytd 2017
- Global Portfolio repositioned

■ Co-Investment

- 2.9x
- **Total estimated investment commitment in Ireland €8.1 billion**

■ Diversification

- Well spread across sectors and asset types

■ Commercial return

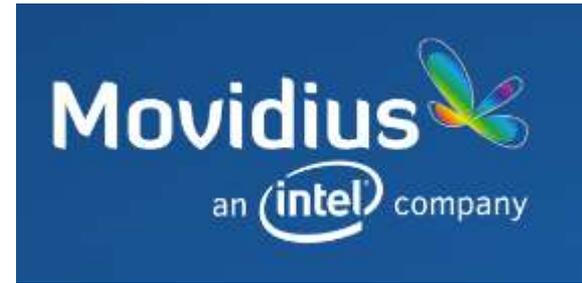
- +2.1% pa since inception
- Irish assets >+6% in 2016

■ Economic Impact

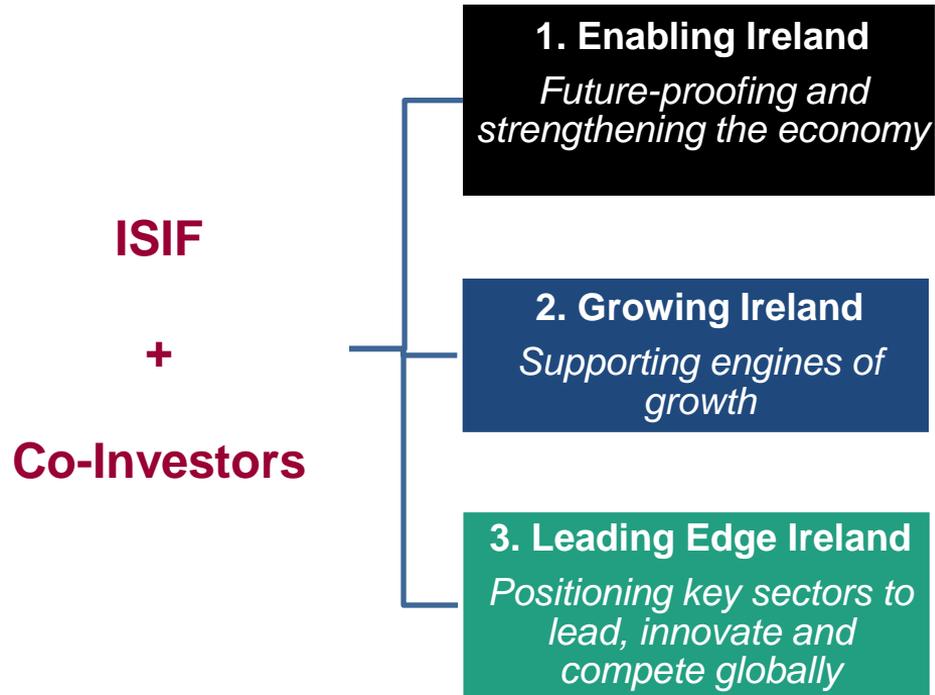
- >22,000 jobs supported
- Regionally balanced, close to 50% outside Dublin across all measures

Case Study: Movidius

- World leading vision chip technology
- 4 ISIF backed funds invested
- China Ireland link to new customers
- Sold to Intel
- Now global centre of excellence for machine vision technology
- Based in Ireland



2020 and beyond: *Enabling – Growing – Leading Edge*



2020 and beyond: Enabling Ireland

- **Housing**
 - Developer finance, house building platform, student accommodation, enabling infrastructure
 - Capital committed for over 10,000 residential units
- **Commercial real estate**
 - Urban renewal (Kilkenny, others in pipeline)
 - FDI facilities
- **Connectivity**
 - Airports (Dublin, Shannon), sub-sea fibre optic network
- **Renewable energy**
 - Wind energy development, waste to energy
 - Long term transition to low carbon economy



2020 and beyond: Growing Ireland

- **Food & Agri**
 - Milkflex farmer loans, receivables purchase programme
 - Forestry
- **SME**
 - Flexible term debt, asset backed finance, venture debt, growth equity, buyout equity
 - Filling funding gaps, scaling capital for businesses
- **Private equity**
 - Growing and scaling indigenous Irish businesses
 - Overseas companies locating significant activities in Ireland
 - *IPOReady* programme



2020 and beyond: Leading Edge Ireland

- **Venture**
 - Mainly via venture funds, two listed vehicles
 - Focus on technology and life sciences, ag-tech also
 - From early stage through to expansion capital
 - Irish GP's, overseas GP's investing in Ireland, China Ireland
- **Innovation – transformative impact**
 - Healthcare: personalised medicine
 - Decarbonisation
- **Education**
 - Global leading education products & services introduced to Ireland



Pipeline

- **Strong pipeline**
 - 60+ active transactions, 100+ overall, >€3 billion ISIF ask
 - Well spread by sector
- **Multiple sources of transactions**
 - Business leaders, advisors, existing ISIF investees, team member networks / contacts, cold calls, ISIF initiated
- **Iterative transaction development process**
 - Early stage proposals, concepts and even ideas welcome, we can be constructive in shaping the transaction
 - ISIF direct or referred to ISIF funded platform / fund (depending on size, nature of proposal)
 - No specific criteria, just commercial risk adjusted return and economic impact

(1) What have we observed over 2½ years?

- **Strong interest in marketplace in working with ISIF**
 - We need to ensure consistency with relevant Government policies
- **Recovering Irish economy**
 - More capital available in general, some capital needs have eased...
 - But capital gaps remain due to constrained time horizons, risk appetites, limited ability to execute (resources, presence, expertise) as well as post-crisis effects
 - And, risks re Brexit, multi-national corporations are clear
 - Therefore ISIF opportunity set remains significant and varied, and is well spread nationally
- **Low interest rate QE environment is very different**
 - Valuations and multiples are high, greater uncertainty re future / terminal values

(2) What have we observed over 2½ years?

- **Most transactions are complex**
 - Completion: complex, multiple parties, unexpected developments
 - Time lags to drawdown after completion (loans, funds, platforms etc) and to economic activity
- **Building an equity culture is very important**
 - Provides greater resilience, control, key to sustainable business growth
- **Housing is critical to future economic activity levels**
 - ISIF investing heavily, significant pipeline also
- **Ireland has huge global potential in technology, life sciences, food sectors**
 - Which will need long term patient capital for this potential to crystallise
 - Strategic partnerships are key

Final thought ...

- **“Needs” are different from “Possibility”**
 - Needs: filling capital gaps
 - Possibility: creativity and new business / investment models required
- **Both types of investment are very important to ISIF as a strategic fund**

Summary

- 1. ISIF is a flexible, long-term, sovereign investment partner**
- 2. Subject to commerciality and economic impact**
 - ISIF can fill gaps in your capital structure
 - You, or we together, can think about “Possibility”, new business or investment models
- 3. Investment proposals / discussions / brainstorming always welcome**
- 4. Ultimate objective is to contribute materially to long-term improvement in Ireland’s competitive advantages and economic sustainability**



Declan Kelleher

Permanent Representative of Ireland to the EU



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Looking Ahead: Investment opportunities in Ireland...2020 and beyond

Looking Ahead: Investment opportunities in Ireland...2020 and beyond

Mark
Garvey

*Group Finance Director,
Glanbia*



Marie
O'Connor

*Partner,
PwC*



John
Mullins

*Chairman, Port of Cork
Chief Executive, Amarenco*



Aileen
O'Donoghue

*Director of Strategy,
Irish Stock Exchange*



Aileen O'Donoghue

Director of Strategy, Irish Stock Exchange

Irish  Stock Exchange

Irish Stock Exchange – Gateway to European Investors



ISE markets –
providing market
choice

> 35k
securities

> 85
countries

> 4k
issuers



**ISE equity funds
raised 2007-2016
€24bn
2017 YTD €1bn**



www.ipoready.ie
preparing companies to
scale – apply by 16 June

John Mullins

Chief Executive, Amarenco
Chairman, Port of Cork



2040 – Population, Economy & Technology Impacts

	Hospitals	Roads	Port	Rail	Power	Commercial Property	Housing	Water	Schools
Population	Red	Red	Yellow	Red	Yellow	Yellow	Red	Red	Yellow
Economy	Yellow	Red	Yellow	Red	Yellow	Yellow	Red	Red	Yellow
Technology	Yellow	Green	Yellow	Yellow	Red	Green	Yellow	Yellow	Yellow

THE FACTS

- Population growth of 750,000;
- 1 million over 65;
- 2 per dwelling;
- Need 25,000 new homes per year out through 2040;
- 2.5m at work;
- Low/No Carbon Economy

THE PRIORITIES

- More Public/Private partnership;
- More off balance sheet;
- Hospitals – Primary Care, Residential Homes;
- Roads – Electric vehicle charging; Motorway corridors;
- Rail – Urban/commuter;
- Power – Solar domination at distributed level;
- Housing – Need private money now and public money later, self-energised;
- Water – Will need to go off balance sheet;

Marie O'Connor

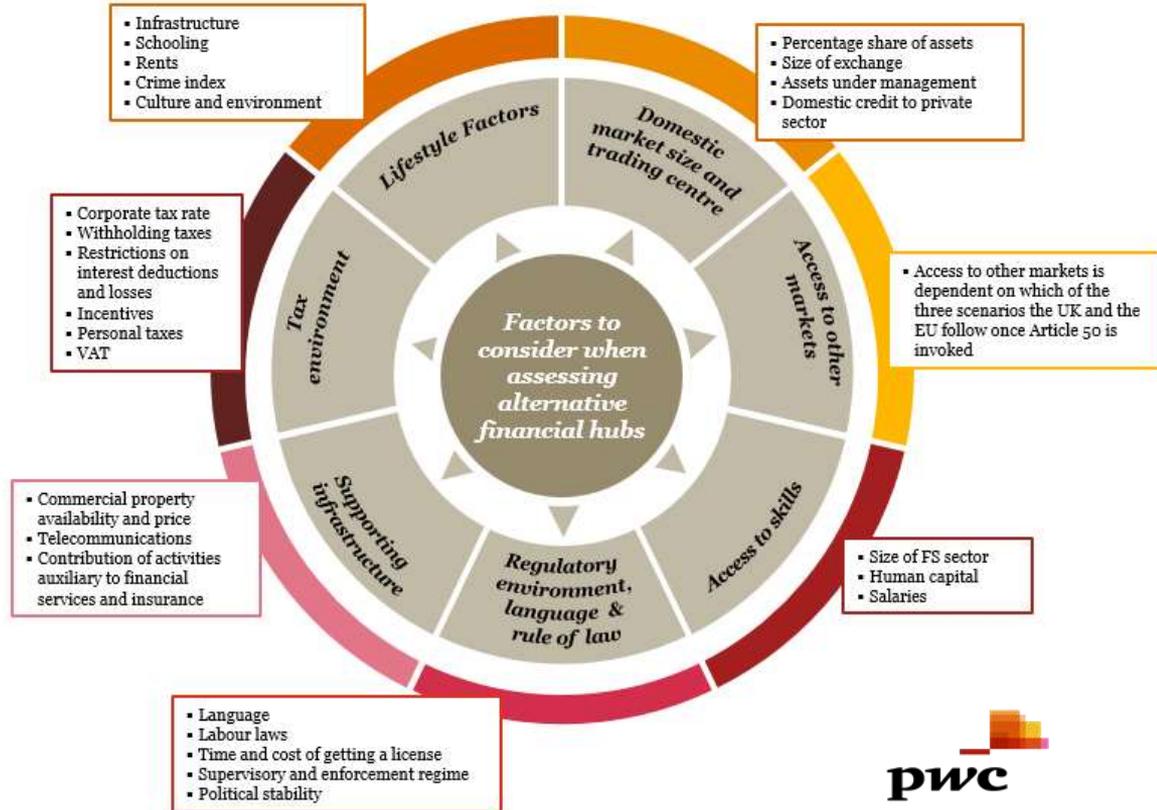
Partner, PwC



Brexit – Key Factors for location of Financial Services

Key factors when considering location – Financial Services

The following 7 criteria should be considered when establishing future location strategy. The boxes below highlight some of the key data points that should be analysed for each criteria.



Mark Garvey

Group Finance Director, Glanbia



Glanbia Group Overview

MARKET CAP*

€5.5BN

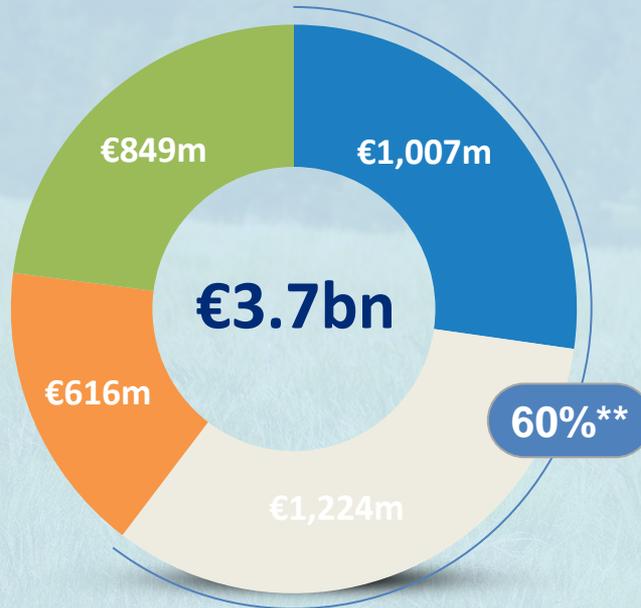
EMPLOYEES

6,200

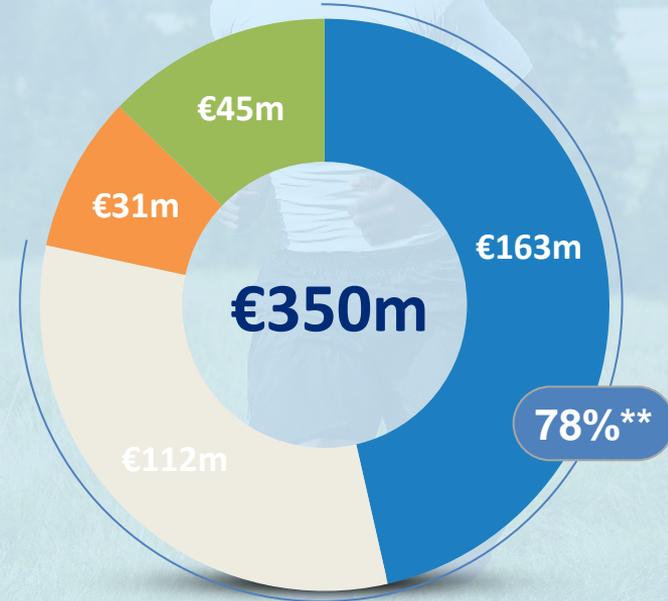
COUNTRIES

32

2016 Total Group Revenue



2016 Total Group EBITA



● Glanbia Performance Nutrition ● Glanbia Nutritionals ● Dairy Ireland ● Joint Ventures & Associates

*at close 25th April 2017

** Contribution of Glanbia Performance Nutrition and Glanbia Nutritionals

Global Consumer Megatrends

GLANBIA SITS AT THE HEART OF POWERFUL
CONSUMER MEGATRENDS IN THE FOOD INDUSTRY



**HEALTH AND
WELLBEING**

88%

of consumers globally are willing to pay more for healthier foods



**ACTIVE
LIFESTYLES**

In the U.S.

98M

people age 6 and older are active to a healthy level



**EASY CONVENIENT
AND ON-THE-GO**

51%

of consumers snack at least three times a day



**CLEAN
LABELLING**

More than

50%

of US consumers select foods based on the ingredient list and nutritional facts panel



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#ISIFBacked

#ISIF Backed

Nigel
Bayliff



Martin
Moran



Johannes
Äärilä



Sean Ennis

Donal O'Neill





Donal O'Neill

Co-Founder, Ardstone

- Ardstone was established 2005
- Identified need for housing early in the cycle
- Established strategy & raised equity Q1 2016
- Delivering 3,500 starter homes into market
- We value ISIF's involvement & continued support



Reputation

Experience

Knowledge

Execution



Johannes Äärilä

Investment Director, Dasos

Dasos Capital – Johannes Äärilä

Leading European investment advisory and fund management company specialising in sustainable timberland investment – est. 2005 – AUM €600m

- Alternative Investment Fund Manager (AIFM)
 - Independent, entrepreneurial, majority owned by the management, staff of ten people, HQ in Helsinki
 - Controlling the largest most diversified timberland portfolio in Europe (220,000 ha)
 - Strong track record in consolidation of private forestry and improvement of efficiency
- **€112m Irish Limited Partnership with ISIF and European Investment Bank (EIB)**
 - Targeting established Irish forest plantations as well as bare lands for afforestation
 - Fastest growing conifer resource in Europe
 - Partnering with local forest management companies
 - Strong national and European support backed by ISIF and EIB to:
 - Consolidate and bring scale to Irish forestry; and
 - Implement best forestry practices to enhance value.





Martin Moran

Managing Director, InsideSales.Com



We believe salespeople can sell more by incorporating data science into the way they work

2004
Founded

2000
Customer

110B
Interaction

\$266M
Raised



NEURALYTICS^S^S®

SALES GENOME PROJECT



AQUACOMMS

Nigel Bayliff

Chief Executive, Aqua Comms

Aqua Comms Network & Development Projects





Sean Ennis

Co-Founder & CSO, GMI

Genomics Medicine Ireland: Powering precision medicine



Homogeneous founder
population

Statistical power



World class disease- specific
population genomic database



European Hub for Genomics



Pharmaceutical
Partnership



Ciste Inbheistíochta Straitéise d'Éirinn
Ireland Strategic Investment Fund

Uinionhwaecht Bainistíochta an Chistáin Náisiúnta
National Treasury Management Agency

Sovereign support

Validation



Uinionhwaecht Bainistíochta an Chistáin Náisiúnta
National Treasury Management Agency

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