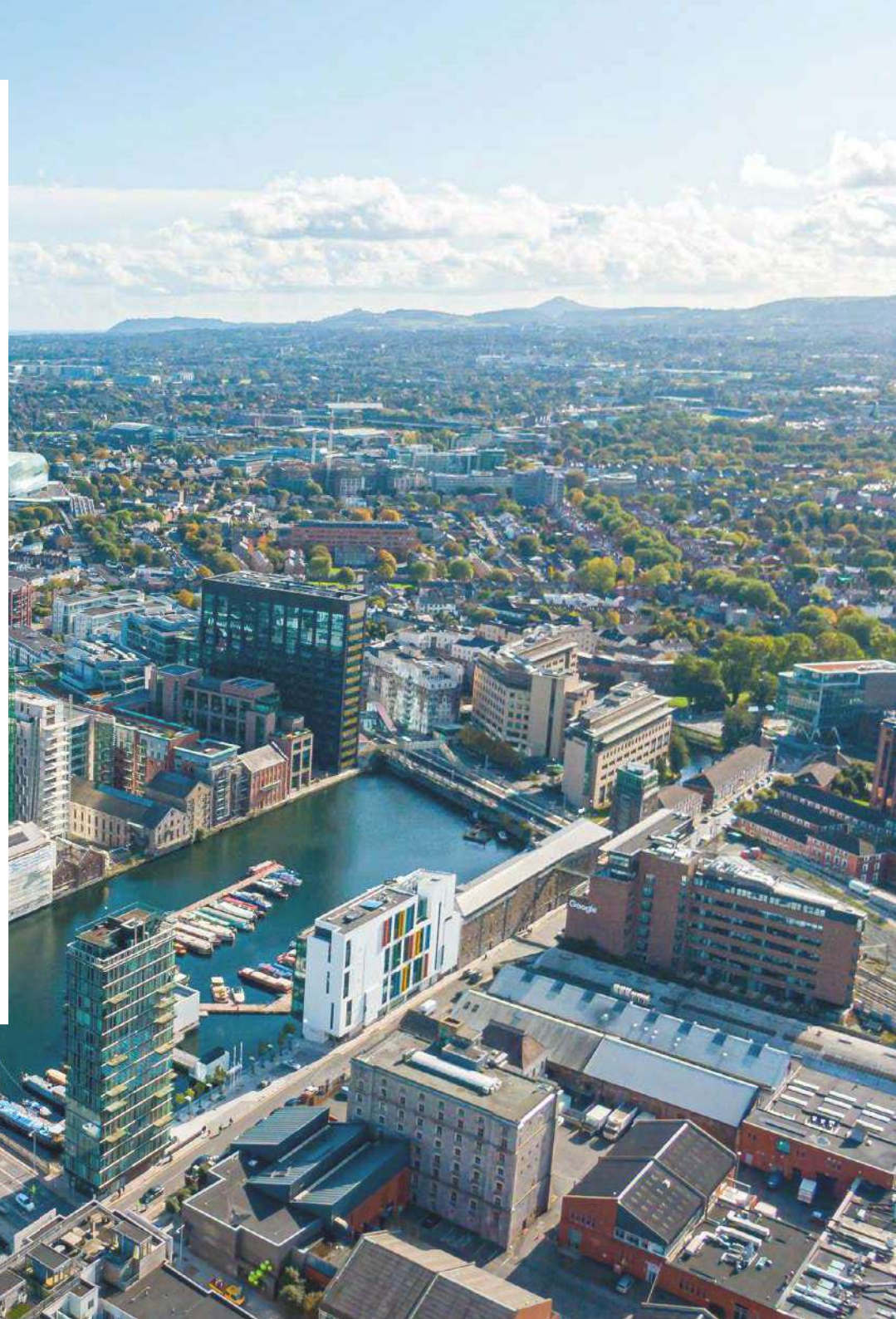




Corporate & Commercial Banking - Sectors Team. Developments & Insights

May 2026

Right with you



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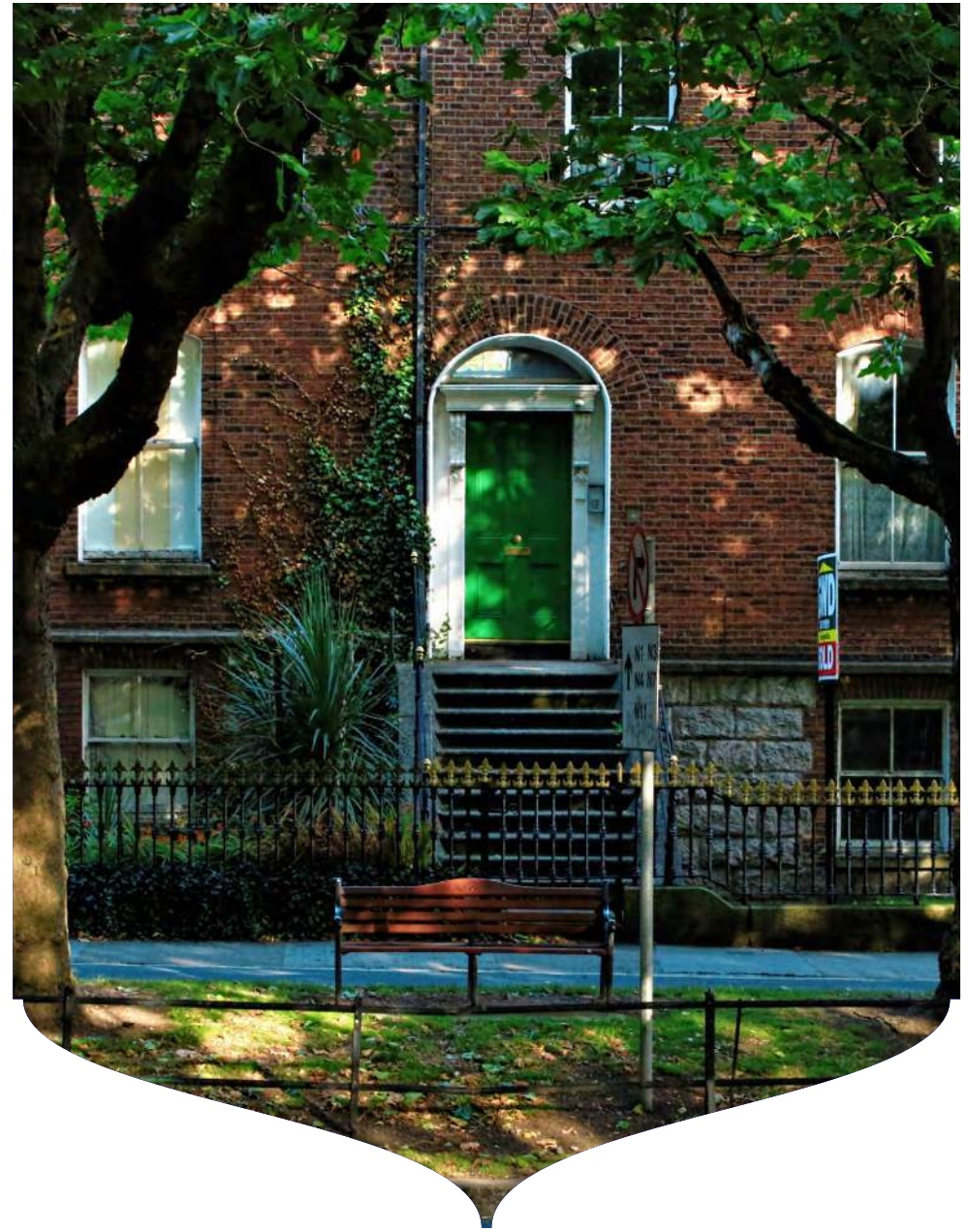
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Foreword – Paula Feehan: Head of Sectors: Bank of Ireland Corporate and Commercial

I am delighted to introduce our latest edition of the Bank of Ireland Developments and Insights report, brought to you by our dedicated Sectors Team. Our Sector Specialists work closely with key industry stakeholders along with Irish businesses and their advisors every day and have a deep understanding of the challenges and opportunities that you face.

In this report, our Sectors Team provide analysis on the current Irish business and farming landscape and share their outlook for the year ahead across the Agriculture, Hospitality, Health, Retail, Food & Beverage, Technology, Media & Telecoms (“TMT”) and Manufacturing sectors. The report explores a number of the key trends, opportunities and challenges for businesses in Ireland, and highlights strategies that businesses are using to succeed. It also takes a sector specific view on the potential impact of the war in the Middle East.

Bank of Ireland understands that Irish businesses are facing an ever-changing economic and trading environment, particularly in the wake of enduring global events, supply chain disruptions, increased costs and changing consumer behaviours. In recognising that every business is unique; our Relationship Management and Sectors Teams have the expertise and experience to provide tailored solutions that meet your specific needs. The contact details for the Sectors team are outlined within the individual sector updates contained herein – please feel free to reach out if you have a query in respect of any element of the report or the sector in general.

We hope that you find this report both informative, topical and useful as you prepare your business for the remainder of 2026. As always, we remain committed to supporting our customers, and we wish you all continued success.

Best regards,

Paula Feehan





Retail - Sectoral Trends

May 2026



Owen Clifford

✉ owen.clifford@boi.com

☎ 087 907 9002

Investment Continues Within The Market:

As the ever more discerning Irish consumer seeks excellence in store standards, Irish grocery and convenience retailers/ brands recognise that investment/differentiation is required to retain and attract footfall to their business. This investment includes the delivery of new and revamped best in class stores that showcase the latest initiatives and offerings from individual brands. In recent months, Tesco have opened a number of new Express format stores in Dublin whilst Aldi, Lidl, Dunnes, Centra and Spar (amongst others) continue to expand their footprint nationwide. Cross-brand collaboration continues to be a feature of the market with Applegreen/ Marks and Spencer, Circle K/Off-beat Donuts and Tesco/ Decathlon all representing new/expanded partnership propositions being offered to the Irish consumer. Bank of Ireland funding activity in respect of store purchase and revamp proposals has remained robust in Q1 2026.¹

Evolving Retail Landscape:

Retailers continue to assess the impact that current geo-political developments may have on consumers discretionary spend and are tailoring their business plans accordingly. Investor interest in retail park/shopping centres has been strong with notable transactions being closed in Cork, Carlow, Kilkenny, Drogheda and Dublin over the past 12 months. This has been driven by a re- invigoration of in-store retail in a post-pandemic landscape which has seen numerous international brands (Lego, New Balance, Arket, Normal A/S, Kiko etc) open stores in Ireland along with occupancy levels returning to more normalised levels – retail parks and shopping centres now at 95%+ occupancy nationwide.²



Investment Focus

In this competitive environment, retailers recognise that artificial intelligence (AI) has the potential to become a transformative force across a range of touchpoints in their business. Already, many progressive retailers are leveraging AI to drive more efficient stock management, to streamline their supply chains, and to anticipate market trends. The logical next step is to utilise AI to create a more personalised experience for us the customer – bringing together shopping history, individual preferences etc in a seamless manner. This requires careful consideration as despite the continued digitalisation of the shopping experience, retail at its core is built upon human connection. AI tools that support the gathering of insights into consumer preferences and behaviours can deliver more personalised experiences that resonate on an individual level – as shoppers we want to feel valued and not the recipient of a mass-market, generic targeting exercise (which unfortunately is too common in the digital age). The key lies in using AI to augment/support customer interactions, ensuring that technology enhances the experience without losing the personal touch.

¹ Various press releases – Tesco/Centra/Spar/Lidl – 2025/2026. ² CBRE & Bannan Retail Property reviews 2025





Middle East Crisis

Budget Recalibration Linked To Inflation Expectations:

The impact of knock-on global economic factors from the conflict will be closely monitored by Irish/Irish based retailers in the months ahead. A prolonged inflationary environment driven primarily by increased oil/gas costs would be the most impactful/damaging from a retail perspective given its associated impact on both business costs (energy, transport and production) and consumer spending power/appetite. Energy prices have surged sharply, directly reducing disposable income for most households. Because fuel, heating, and transport are essential, consumers cannot avoid these costs. As a result, discretionary spending will come under review in many households. Retailers will need to review pricing, promotions, and communication without damaging their brand positioning to reflect increased financial pressure/cost of living concerns of their customers.

The fundamentals of the Irish economy; population growth, strong employment statistics, elevated personal savings levels etc have supported a robust performance from the sector from a sales volume perspective in recent years. However, retailers will be mindful that in an inflationary environment, consumers may not only react to current prices but also to expectations of future increases. If people believe that costs will continue to rise, they may accelerate essential purchases and delay non-essential ones. This can create uneven demand patterns and reinforces cautious behaviour. The psychological impact of inflation expectations can shape decisions well before real financial constraints fully materialise. As always, the length of the crisis will determine whether these behavioural changes are temporary or long-lasting; duration defines the potential impact.



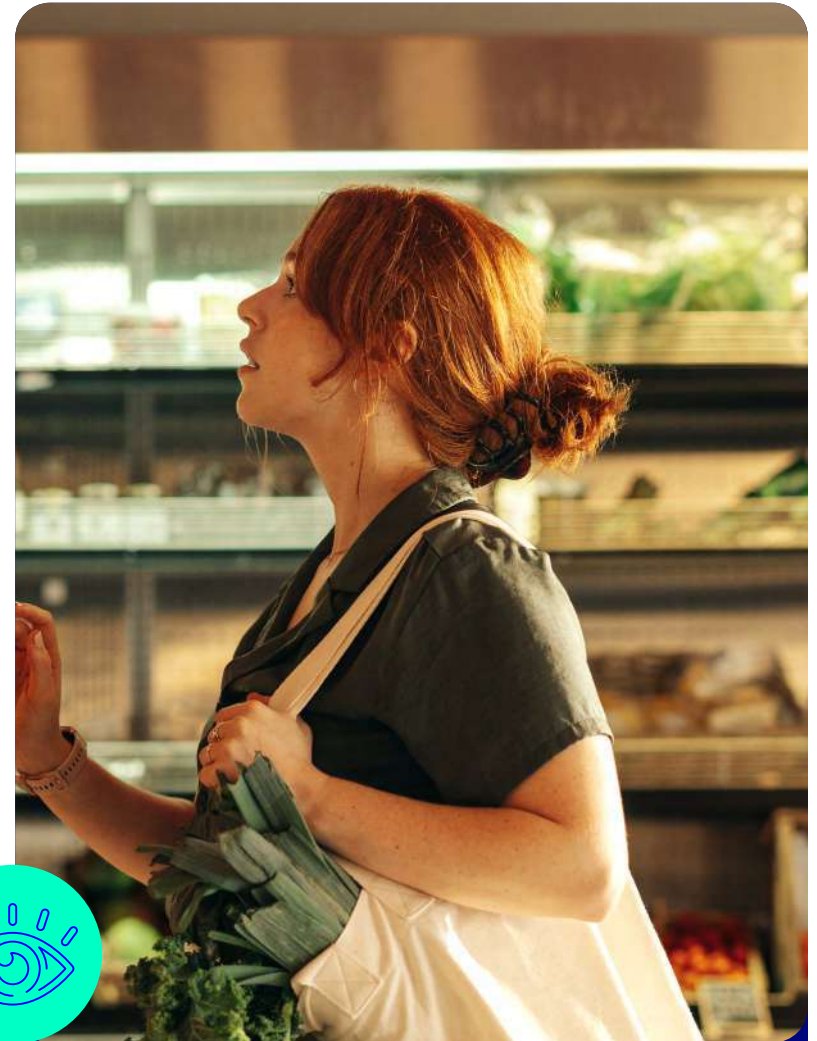
Fragmented Consumer Behaviour:

A prolonged crisis would widen the gap between varying consumer groups. The purchasing behaviour of higher-income consumers buffered with strong savings levels would remain relatively stable, while lower-income households would undoubtedly face increased financial pressure. A sustained continuation of this divergence would result in two distinct consumption patterns forming within the same market. Retailers must adapt by offering clear value options for price-sensitive consumers while maintaining premium propositions for those who can continue to spend with less constraint. This is often referred to as a *K-shaped* consumer reality.

In an inflationary market, demonstrating “value for money” becomes an imperative. Consumers evaluate every purchase more critically, comparing alternatives and questioning premiums. The ability to prove a fair exchange between price and quality becomes decisive. Retailers need to clearly communicate their “value” bona-fides both in-store, online and in their marketing material. What is the current consumer view of their store/brand? Sometimes a market perception of being “too expensive” can be based on the lay-out or the look & feel of the store, or even the tone of advertising material. This may not align with the reality of the proposition.

Independent, family-owned retailers in particular need to demonstrate that “value” has many constituent parts – quality, provenance, accessibility, after-sales service and price. The adoption of a price-only led offer can lead to a discount spiral and is unsustainable in the long-term. An appropriate “own brand” offering can be used to meet the price element of a “value” message whilst also bolstering range and preserving margin during inflationary times.

Consumers are becoming less loyal and more flexible in their purchasing patterns. They are visiting more stores, comparing prices across online channels, and making smaller, more frequent purchases. This fragmentation reflects both economic pressure and increased access to information. Retailers can no longer rely on habitual buying behaviour and must actively earn each purchase through clear value and relevance.



Outlook/Action Points

Duration Will Determine Impact:

The length of the middle East crisis will determine whether these potential behavioural changes in consumer activity are temporary or long-lasting. Retailers that only plan for short-term disruption risk being unprepared if this geo-political crisis continues and changes in consumer behaviour/trends become more structural. The retail sector is a positive element of the Irish business ecosystem, creating employment and generating commercial activity. Irish retailers have demonstrated resilience and innovation in recent times underpinned by pragmatic optimism. In challenging times, these values will need to be nurtured to foster a sector pivotal for the development and sustainability of every town and village nationwide.





Hospitality - Sectoral Trends

May 2026



Gerardo Larios Rizo
 ✉ gerardo.lariosrizo@boi.com
 📞 087 795 1253

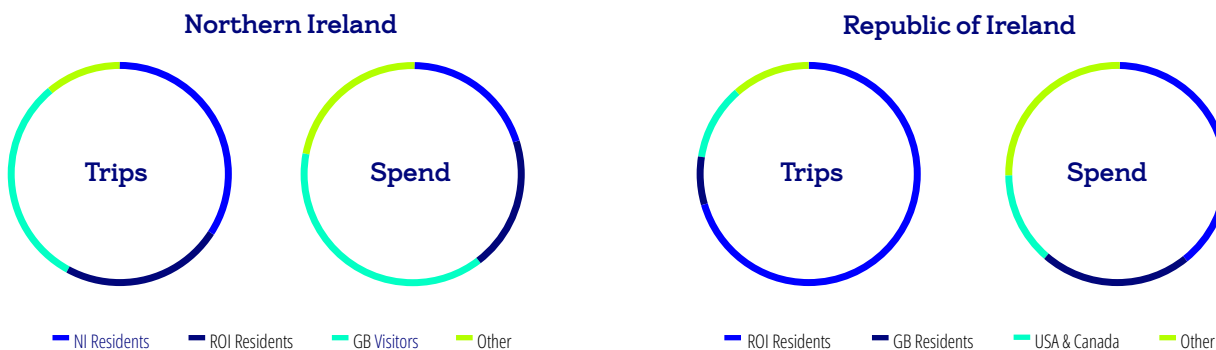


Accommodation Statistics

Airline Capacity & Overseas Visitors

- Air seat capacity into Ireland increased 15% this winter following the removal of Dublin Airport's passenger cap for the period³, and access for the summer months this year is projected to be +3% above Summer 2025 levels (5% increase in GB and +9% from US)⁴.
- Overseas tourists represent around 60% of spending by all tourists in Ireland (US visitors account for 40% of inbound tourism expenditure /24% of total expenditure)⁵.

Demand Mix For NI And ROI (Year-End Dec 2025)⁶



Domestic Demand:

- Spending on domestic trips by Irish residents is up 65% since 2019⁷. Domestic tourism accounts for 64% of trips and 35% of expenditure.
- Domestic trips by Irish residents declined by 8% last year. The drop in trips came from the "visiting friends/family"⁸ rather than holidays or business trips, and so the impact to tourism accommodation demand was not material.

³ Fáilte Ireland, Overview of Winter air capacity November 2025 ⁴ Fáilte Ireland, Tourism update April 27, 2026. ⁵ CSO, Inbound Tourism Expenditure, Dec 2025 ⁶ Northern Ireland Tourism Trips and Spend 2024, NSRA; CSO Household Survey Q4 2025 & CSO Inbound Travel Statistics Dec 2025 ⁷ CSO, Household Travel Survey, Expenditure, Q4 2025. ⁸ CSO, Household Survey Q4 2025, Reason for Journey, Q4 2025. ⁹



Labour Market:

Employment in the sector rose to 229,400 last year, accounting for 9% of employees in the country⁹, which highlights the economic importance of tourism as Ireland's leading indigenous industry. Pace of growth has slowed down in recent years as cost pressures have led to critical reviews of staffing requirements across the sector. Cost of wages as a % of turnover continues to rise with Crowe reporting a 39.5% average for year-end December 2024¹⁰, up from 38.5% in 2023.

VAT Rate Cut

Business in the sector are anxiously waiting for the government to deliver on the 9% food-services VAT rate to be introduced in July 2026. This rate reduction will be welcomed by the sector which has experienced a sustained squeeze in margin over the past 3 years.

Accommodation Sales Performance¹¹

Positive performance across ROI with all locations reporting a positive RevPAR trend, stats however were slightly softer for Northern Ireland with a slightly softer performance reported for Belfast and Derry.

Highest Average room rate for Q1 was achieved by Kilkenny at €165 (4% increase on Q1 2025).

Dublin reported highest Average occupancy at 75% for the first 3 months of 2026.

Improved performance in Dublin was mostly associated with occupancy but regionally it was the average rate driving RevPAR increases.

Accommodation sales performance Q1 2026, STR.

STR Report Market	RevPAR Q1 2026 €	RevPAR Variance Q1 '26 vs '25 %
Dublin	108.2	2.7
Dublin City	114.2	4.3
Galway	81.6	5.5
Cork	86.4	1.7
Limerick	108.8	2.3
Kilkenny	93.6	1.0
Provincial ROI	82.8	3.3
Belfast	75.1	-4.0
Derry/Londonderry	59.7	-3.3

⁹ Fáilte Ireland Irish Tourism Quarterly Economic Update, March 2026. ¹⁰ Crowe, Hotel Industry Summary, March 2026. ¹¹ CoStar STR, March 2026 performance.



Middle East Crisis

The ongoing conflict in the Middle East presents some potential risks for Ireland's hospitality sector, though a range of mitigating factors continues to support overall resilience. International visitors are critical to performance, generating roughly 50 million overnight stays annually¹², and global uncertainty can influence travel sentiment. However, Ireland benefits from a well-diversified demand base across the EU, North America and the UK, while strong domestic tourism provides a natural buffer should international travel soften.

Fuel prices typically rise during geopolitical tension, affecting travel affordability, yet major airlines remain well hedged, and no significant increases have materialised to date. Travel analysts also predict displaced demand into Western Europe, which may benefit Ireland. On the expenditure side, US dollar volatility and broader inflation risks could influence visitor spending, though trends are stable and Irish household savings are still elevated. Energy price spikes like those seen in 2022 would pressure profitability, but long-term gas contracts and ESG driven efficiency measures have significantly reduced exposure.

Overall, strong sector savings, robust domestic tourism and stable operating costs position Ireland to absorb short-term disruption effectively.

Investment Focus

The Irish hotel investment market closed 2025 as a landmark year, with transaction volumes exceeding €1.7bn (€600m when excluding the Dalata transaction)¹³, the strongest level ever recorded. Activity was underpinned by consistently strong operating performance and constrained hotel bedroom development across both Dublin and regional markets. Entering 2026, investment momentum is still positive but perhaps more selective. CBRE and JLL point to a healthier debt environment, narrowing bid-ask spreads and increased appetite for value-add, repositioning and high-quality regional assets rather than large portfolio trades.

Overall, while volumes may normalise from 2025 highs, advisors expect steady deal flow through 2026, driven by active on and off-market deals with a combined value of around €350m. Also influencing activity are numerous hotel developments which highlight the confidence in Ireland's tourism fundamentals. In Belfast, the 82-bedroom Bedford Hotel opened in spring 2026, following a multi-million-pound redevelopment of the historic Scottish Mutual Building. In the west, The Grace at Westport Estate began operations in 2026 reincorporating 129 bedrooms into the Westport tourism accommodation stock.

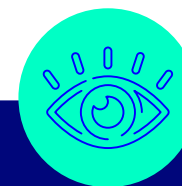
Notable Irish hotel openings expected for 2026 include:

- **Home2 Suites by Hilton** in Dublin city centre (290 rooms)
- Hamilton Dock – **Aloft & Residence Inn** in Belfast (228 rooms)
- **The Address** Capel Street, in Dublin 1 (79 bedrooms)
- **Sofitel** Dublin Airport (412 rooms)



¹² CSO, Inbound Tourism Overnight stays, December 2025. ¹³ JLL Research, Irish Hotel Transaction Market Overview April 27, 2026.





Outlook/Action Points

- Demand fundamentals are encouraging, supported by resilient overseas travel, strong domestic demand and improving air access through 2026. However, inflationary pressures, labour availability, and energy volatility continue to constrain margin recovery, while new hotel supply though limited will increase competitive intensity in Dublin and Belfast.
- Operators are increasingly focused on controlling input costs rather than relying on top-line growth. Energy efficiency measures, tighter labour scheduling, and more disciplined food and beverage models are now central to risk management.
- Greater emphasis should be placed on yield management, contribution per room, and demand mix optimisation rather than headline occupancy. Regional hotels offering higher-quality product continue to show pricing power, but profitability will depend on execution. Data-driven decision-making and selective adoption of AI-enabled tools are increasingly becoming differentiators.
- Operators and investors should prioritise margin discipline, operational efficiency and asset positioning. The next phase of performance will favour those who actively manage costs, sharpen their value proposition and invest in capabilities that support sustainable, rather than purely cyclical, growth.





Agriculture

May 2026



Eoin Lowry

✉ eoin.lowry@boi.com

☎ 087 223 4061



While Agriculture entered the year in robust financial strength, the outlook for 2026 is significantly more challenging due to uncertainty and higher input costs related to the conflict in the Middle East.

Farms Showing Financial Strength

Irish farmers are demonstrating solid financial strength, underpinned by a series of strong production years (farm incomes increased 33% in 2025)¹⁴ alongside improved cattle prices, stable grain prices and strict cost control.

While volatility returns as a significant feature of global agricultural markets, many farm businesses have adapted well-managing

risk, investing selectively in efficiency, and maintaining prudent leverage levels.

Balance sheets across the sector remain robust, supported by land values and historically disciplined borrowing behaviour-total outstanding debt on farm remains at 25-year lows (€2.8bn)¹⁵ as farmers continue to pay off older debt at faster rate than taking out new debt.

Cashflow performance has improved with farm deposit levels reaching record levels in 2025 and up 10% year on year¹⁶. Overdraft utilisation levels ended the year at the lowest level in over three years and 9% lower than at the end of 2024.¹⁷

Period Of Heightened Uncertainty Ahead

Overall, the sector is entering the summer months from a position of relative strength, however the conflict in the Middle East is beginning to impact the outlook for agriculture over the coming months.

In January, it was expected that average farm incomes in 2026 would reduce by 19%¹⁸ this year due to a combination of lower farm gate prices and higher costs. However, the outlook for Irish agriculture in 2026 is now

more challenging, with adverse weather, rising input costs, weaker output prices and heightened uncertainty expected to squeeze farm profitability.

While the full extent of the impact of the conflict remains uncertain, the risk profile for the sector is rising, with margins increasingly exposed to external shocks beyond the farmer's control. The increased cost of oil has a direct impact on agriculture as a large share

of the costs of production on Irish farms are directly or indirectly tied to energy and fertiliser prices.

While the FAO Food Price Index¹⁹ rose in response to higher energy prices, any positive price developments of the crisis on key agri commodities such as grain, meat and dairy so far has been relatively limited and reflects more the underlying market fundamentals of supply and demand.



¹⁴ Teagasc Outlook and Performance, 2026 ¹⁵ Central Bank, 2026 ¹⁶ Bank of Ireland, 2026 ¹⁷ Bank of Ireland, 2026 ¹⁸ Teagasc Outlook and Performance, 2026 ¹⁹ UN Food and Agricultural Organisation, 2026



Impact of Middle East Crisis on Agriculture

The Middle East conflict is materially inflationary for agriculture. One of the key impacts for agriculture from the conflict in the Middle East relates to oil which has hit prices of over \$125/barrel²⁰ in recent weeks.

Input costs (fertiliser, feed, fuel) are rising faster than output prices, which will drive margin compression and increased volatility across farm systems if the situation in the Middle East persists.

In the short term (2026) Ireland is less exposed as the majority of fertiliser was already on farm or in the supply chain. In the longer term (2027), if the conflict escalates or persists, farmers globally are exposed due to their reliance on imported fertiliser. This will impact farmer's planting decisions globally where they may plant less energy intensive (crops that use less fertiliser) crops such as maize and switch to grow more soya.

In the longer term, that may reduce grain supply with a positive net effect for farm grain prices and while it will increase feed prices, it would have a positive impact on meat and dairy prices.

While the impact of higher fertiliser prices will play out in the months ahead, the World Bank is warning that global food security is threatened as a result of the fertiliser shortages and soaring agricultural costs. That may lead to government intervention should the situation persist

Investment Focus

Overall, linked to the crisis, there is likely to be higher working capital demand across the sector – both at farm and supply chain. Bank of Ireland stands ready to support farmers and the supply chain through the crisis with a range of flexible supports for farmers.

Investment sentiment across the sector has softened, with farmer confidence moderating – driven by a number of factors including higher energy prices driving higher input costs but also uncertainty around the next CAP and the long-term future of securing a nitrates derogation.

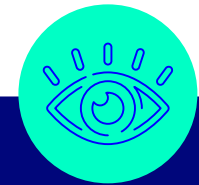
Bank of Ireland is seeing farmers continue to invest in land with agricultural land prices reaching record highs (€12,876/ac average²¹) in 2025, driven by low supply and continued high demand.

Bank of Ireland has witnessed increased interest in Enviroflex, the bank's sustainability loan for farmers. Since it launched, over €100m in loan applications have been received from over 1000 dairy farmers²² who are using the funds to instal solar panels or add additional slurry storage, with many taking advantage of the Department of Agriculture Targeted Agricultural Modernisation Scheme (TAMS).



²⁰ Brent Crude Prices, 2026 ²¹ Irish Farmers Journal Land Report, 2025 ²² Bank of Ireland, 2026





Outlook remains uncertain

While agricultural commodity prices could rise in the coming months, it is complex and may not be uniform. The direction and scale depend on how the conflict feeds through in areas such as energy (diesel and fertiliser costs), grain markets, market sentiment and demand side impacts. If energy prices remain elevated for long periods of time or rise further, that feeds directly into nitrogen fertiliser, diesel and drying costs on farms.

In general, higher input costs tend to push grain, dairy, and meat market prices upward over time, as global production becomes more expensive. As we have seen in recent years, conflicts such as that in Ukraine, can disrupt trade routes which are critical for global grain and fertiliser shipments. Delays and higher freight costs can tighten supply chains, supporting higher wheat, maize, and feed prices, even if global supply hasn't changed dramatically. While we have seen commodity markets "pricing in" geopolitical risk since the start of the year, which has caused some short-term spikes in agri commodities, the underlying market fundamentals of supply and demand have not changed (yet).

Furthermore, if higher energy prices slow global economic growth, food demand - especially for higher-value products like dairy and beef that Irish farmers produce, may soften. That can limit or reverse price increases, particularly after the initial shock.





Food and Beverage - Sectoral Trends

May 2026



Lucy Ryan

✉ lucy.ryan@boi.com

☎ 087 766 3661

Whilst Food & Beverage Exports Remain Robust, Food Prices Continue To Rise

Global conflict, rising costs, tighter EU regulatory requirements and changing consumer demands continue to shape the food and beverage sector. While 2025 saw strong export value of €18.9bn²³ (+9% YoY), high input costs persist and the Middle Eastern conflict is now also impacting supply chains and energy costs. The sub-sectors of seafood and alcoholic beverages face additional pressures from fish quota reductions, tariffs, lower alcohol consumption and weakened consumer spend.

Despite these challenges, the Irish food and beverage sector has remained resilient. The UK remained our largest export market in 2025, accounting for over €7bn in 2025 or 37% of exports, with the EU a close second at 36%²⁴ and 12% value growth. In January-February 2026 exports were flat YoY with exports to the EU and China behind 2025²⁵. Food inflation remains a concern in 2026, despite Trading Economics recording a benign March rate of 2.3% in Ireland and 2.4% in EU²⁶. The UK food inflation rate was 3.7%. With the UN Food and Agriculture

Organisation (FAO) Food Price Index rising to 130.7 in April²⁷, and price increases across all commodity groups, food prices will continue to rise.



Sustainability Goals Shaping Regulatory Changes

Regulations continue to shape the industry with new EU Packaging and Waste Regulation to apply from 12th August 2026 and mandatory recyclability requirements for all packaging in the EU²⁸.

Enhanced food safety regulations will apply from 1st July 2026 with EU Regulation 2024/2895²⁹ on Listeria which will affect prepared, and ready to eat foods. Restrictions on chemicals and heavy metals used in food contact packaging comes into force later in 2026 with EU Reg 2025/351³⁰.

Fishing quota reductions for 2026 ^{31, 32}:

-48%
for mackerel

-41%
for blue whiting

-22%
for boarfish

pose significant concerns for trawlers and processors dependent on these species. While the mackerel cut is an improvement on the earlier proposed

70% reduction, bringing Ireland in line with the UK and Norway, the overall impact remains challenging.

²³ Key Findings Goods Exports and Imports December 2025 - Central Statistics Office ²⁴ Key Findings Goods Exports and Imports December 2025 - Central Statistics Office ²⁵ Key Findings Goods Exports and Imports February 2026 - Central Statistics Office ²⁶ Food Inflation - Countries - List ²⁷ FAO Food Price Index | Food and Agriculture Organization of the United Nations ²⁸ Regulation - EU - 2025/40 - EN - PPWR - EUR-Lex ²⁹ EU Listeria regulation changes from 2026 | Eurofins Food Testing UK ³⁰ Regulation 2025/351: Key Changes in Food Safety ³¹ <https://www.gov.ie/en/department-of-agriculture-food-and-the-marine/press-releases/minister-doolley-reacts-to-outcomes-of-december-agrifish-council/> ³² <https://www.rte.ie/news/ireland/2026/0330/1565965-eu-mackerel-deal/>



Sustainability Goals Shaping Regulatory Changes (Cont.)

The European Commission is expected to publish a simplified EU Deforestation Regulation (EUDR), due to come into force from December 2026. This aims to curb global deforestation by requiring data and verification to ensure key commodities- **timber, cattle, cocoa, coffee, palm oil, rubber, and soy** -are not from deforested land. However, recent reports indicate that efforts to dilute this landmark legislation are still ongoing³³.

The **EU and UK** are advancing talks on a potential Sanitary and Phytosanitary (SPS) agreement, following a Common Understanding signed in May 2025. If agreed, the UK would dynamically align with EU food safety rules, potentially reducing border checks and certification requirements for agri-food trade.³⁴

In February The **UK** published a plan to restrict **PFAS** synthetic chemicals from **food packaging** as part of a wider plan to reduce consumer exposure to these chemicals³⁵.



Middle East Crisis

The effects of the Middle Eastern conflict experienced by operators include freight and logistics surcharges, energy price hikes and supply chain delays. Businesses have attempted to extend fixed energy prices and those with renewable energy sources have benefitted. In shipping, the Drewry World Container Price index (WCI) rose to \$2,286 on 7th May after three consecutive weekly declines, driven by higher rates on Transpacific and Asia-Europe Trade routes. Transatlantic spot rates remained stable³⁶. Rates and pricing vary by route, carrier and shipping agreements which has a varying effect on businesses. Fuel surcharges are impacting those heavily reliant on haulage.

If the conflict continues for a longer period of time, effects such as limited fertiliser supply and higher input costs will affect food chains and indeed pose a threat to food security, especially for poorer countries. This latest global volatility has heightened the need to strengthen food security and circular food systems and align with Ireland's

Investment Focus

A record export value in 2025 brought new opportunities for Irish exporters, prompting investment to future -proof new opportunities. Mergers and Acquisitions remained buoyant with Dawn Meats acquiring a 65% stake in Alliance Group, a New Zealand Cooperative³⁷, whilst Greencore acquired Bakkavor a leading UK producer of fresh meals for £1.2bn in early 2026 creating a €4.1bn prepared foods business across 36 sites³⁸. Across the sector, recent areas of investment include automation, robotics and production efficiencies, to maintain competitiveness and off-set high labour costs.

Digitalisation is also a focus, particularly for traceability, compliance and data management, enabling better decision making. Producers are prioritising sustainability projects that deliver a clear return on investment, ensuring environmental initiatives are commercially viable and operationally beneficial. More specifically, there is continued capital expenditure in hen housing infrastructure to comply with enhanced animal welfare standards and support growing consumer demand for eggs.

³³ Why a No-Risk Category Weakens the EUDR | World Resources Institute Regulation 2025/351: Key Changes in Food Safety. ³⁴ UK-EU Agreement: What it Means for Food Businesses. ³⁵ UK's first-ever plan to tackle 'forever chemicals' - GOV.UK ³⁶ <https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry>. ³⁷ Dawn Meats and Alliance Group complete transaction - Dawn Meats. ³⁸ Greencore completes £1.2BN Bakkavor acquisition making it a UK market leader across five own-label categories.





Outlook/Action Points

Looking ahead, ensuring food security, traceability and consistently high standards, while managing costs, will remain challenging as producers navigate the impacts of global volatility, supply chain disruption and cost inflation. Operators have become adept at mitigating against the various risks but need to focus on carving out a niche to add value.

For most Irish food producers, 2026 will focus on operational resilience rather than expansion, with priority areas being automation, efficiency and compliance. Growing regulatory and administrative demands may drive selective consolidation, as smaller firms look for scale or to create partnerships.





Manufacturing Sectoral Trends

May 2026



Conor Magee

✉ conor.magee@boi.com

☎ 087 227 9830



Manufacturing Continues In Expansion With Exports Returning To Normal Levels In 2026

Manufacturing Activity - 2025/2026

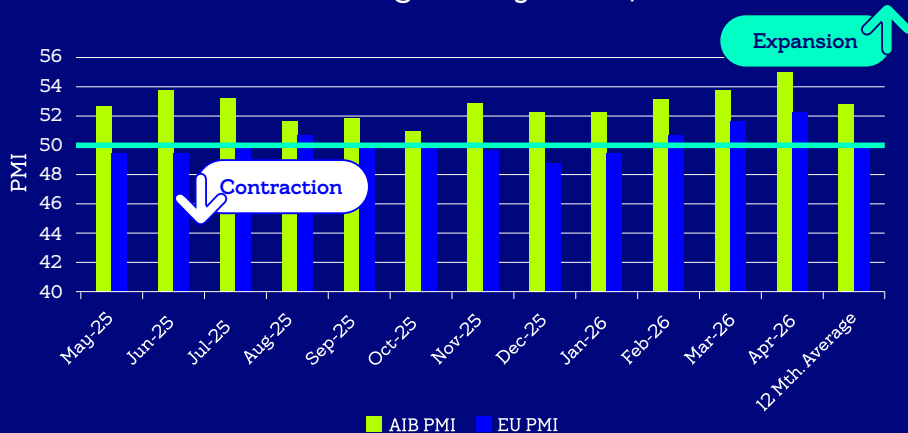


Table 1: Source PMI by S&P Global May, 2026

Ireland Goods Exports 2024/2025/2026

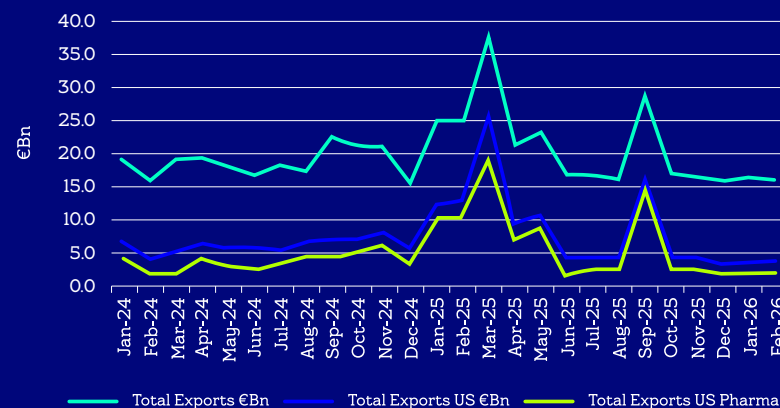


Table 2: Source CSO Mar, 2026

Irish Manufacturing continues in expansion mode in 2026 with April Purchasing Managers Index (PMI) of 54.9 and a 12-month average score of 52.7.³⁹ The EU, after 4 years in contraction, has tipped into expansion in February, March and April, with a 12 month average score of 50.1 (table 1).

The positive April numbers are driven in part by a scramble to secure orders before “middle east conflict driven” inflation kicks in and anticipated supply disruption hits businesses.

Irish manufacturing delivered record exports in 2025⁴⁰, driven by stockpiling with two spikes in March and September to minimise tariffs impact (table 2). Growth numbers as per table 3 show:

- Total Exports +16%
- US Exports +52%
- US Pharma Exports +86%

Ireland Manufacturing Exports 2025

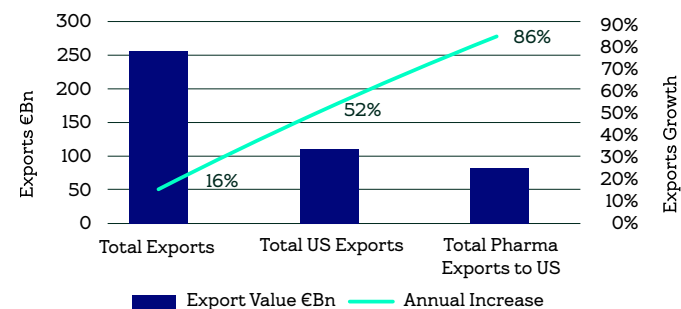


Table 3: Source CSO Mar, 2026

³⁹ PMI Releases May 2026 ⁴⁰ Goods Exports and Imports February 2026 - Central Statistics Office Apr, 2026



Manufacturing Continues In Expansion With Exports Returning To Normal Levels In 2026 (Cont.)

Now that we have a “fragile certainty” around US tariffs, with an EU US trade agreement in place since August 2025, followed by a Supreme Court Ruling against IEEPA tariffs, our effective rate with exemptions stands at 4.2%.⁴¹

So given the inflated export numbers in 2025, it should come as no surprise that January to February 2026 exports are down **38% YOY at €29Bn versus €47Bn**. In comparison to 2024 they are down **8%**.

In terms of Industrial production output we see a similar trend with quarterly reduction of 4% and an annual reduction of 4.6%.⁴² (Table 4)

Notwithstanding above, employment remains stable albeit with slower growth rates than in 2025.

2026 growth outlook is on a knife edge, coming off a high base in 2025, and will be difficult to achieve given the downturn in data above. However, and despite the ongoing volatile geo political environment, around 38% of April PMI respondents anticipate a growth in activity during 2026.

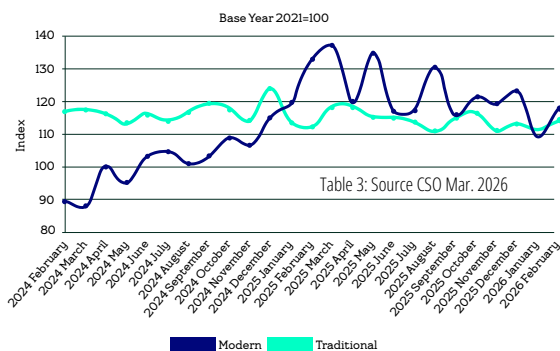
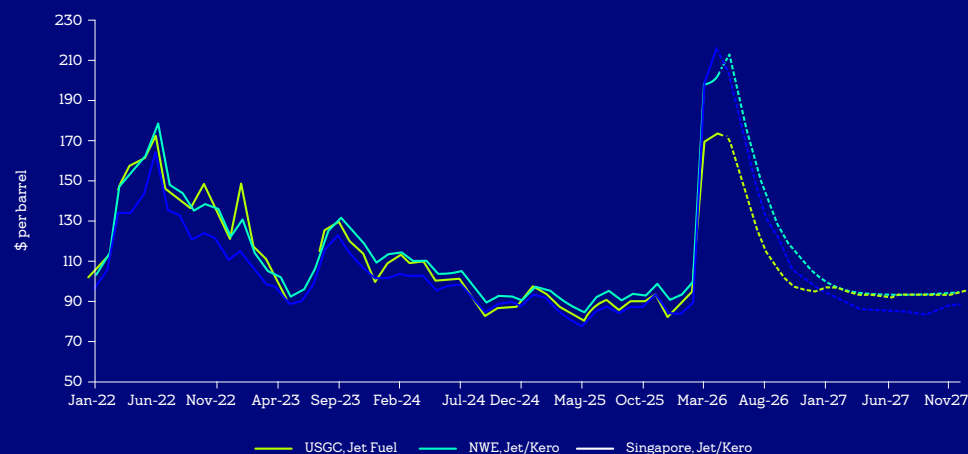


Table 4: Source CSO Apr. 2026

Middle East Conflict Triggers High Energy Inflation And Widespread Supply Chain Disruption

The Middle East conflict presents far reaching consequences for global supply chains, both in input costs and security of supply, if the key choke point of the Strait of Hormuz does not reopen within the near term. Impacts are summarised below.

Jet Fuel Prices Reach Record Highs in Early 2026



Dotted line-forecast. Source: S&P Global Energy, S&P Global Energy, S&P Global Ratings. © 2026 Standard & Poor's Financial Services L.L.C.

Table 5: Source: S&P Global

Highest impact – Oil & Gas

- **Oil & Gas** – Accounts for ~25% global supply (GS).⁴³ Price spikes +40% and supply risk due to disruption around the Strait of Hormuz.⁴⁴
- **Global Shipping Capacity** – Red Sea / Hormuz avoidance plus insurance premiums adds 10–20 days and raises freight costs.
- **Jet fuel costs** +130% driving airfreight costs from \$90 to \$210 per barrel (Table 5).⁴⁵ About 50% of EU fuel comes from the Middle East.⁴⁶
- Fears that commercial flight cancellations, (which carry freight in aircraft belly) will drive rerouting further and amplify freight increases.

⁴¹ Section 122 in effect: what the US tariff regime looks like now - Global Trade Alert Feb. 2026. ⁴² Industrial Production and Turnover February 2026 - Central Statistics Office Apr. 2026. ⁴³ Impact of the Middle East conflict on global supply chains. ⁴⁴ TRADING ECONOMICS | 20 million INDICATORS FROM 196 COUNTRIES.

⁴⁵ European Airlines Navigate Record High Jet Fuel P. | S&P Global Ratings Apr. 2026. ⁴⁶ Holidaymakers worried as airlines cut flights and jet fuel prices soar - BBC News Apr. 2026



Middle East Conflict Triggers High Energy Inflation And Widespread Supply Chain Disruption (Cont.)

High impact – Industrial Raw Materials & Chemicals (Table 6)

- **Petrochemicals & polymers** (20% of global supply - plastics, resins) – Higher feedstock costs hit packaging, autos, consumer goods.⁴⁷
- **Aluminium** (10% of GS).⁴⁸
- **Sulfur** (25% of GS & 50% of global sea borne trade) – input for metal processing & fertilisers.⁴⁹

Moderate impact – High Tech and Specialised Components

- **Helium** (33% Qatar) & Specialty Gases – Risk to semiconductors, medical imaging, medical devices.⁵⁰
- **Pharmaceutical Inputs** – Energy + air freight disruption adversely impacts Active Pharmaceutical Ingredients (APIs) and cold chain goods logistics.⁵¹

Commodity Price Increases Since ME Conflict Start

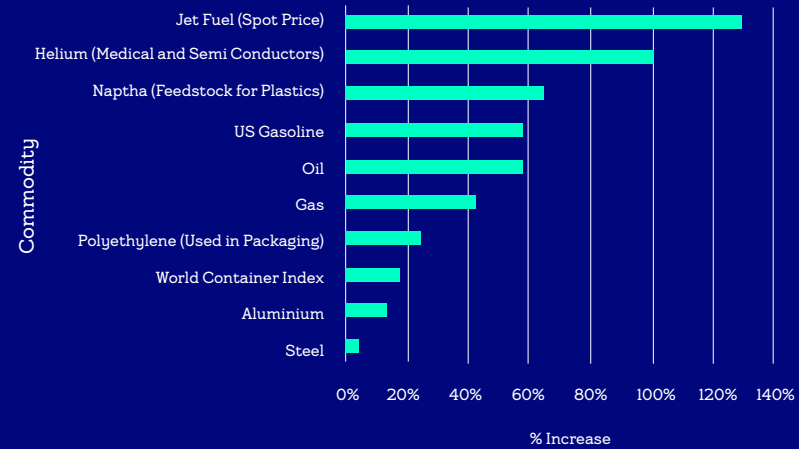


Table 6: Source Trading Economics



⁴⁷ The Middle Eastern Conflict and the European Plastics Industry – Mar. 2026. ⁴⁸ Global supply chains in chaos after one month of conflict in the Middle East | Credendo Apr. 2026. ⁴⁹ Sulfur, nitrogen markets under pressure as Middle East war persists | S&P Global. ⁵⁰ The world's supply of helium is being threatened by the Iran war Apr. 2026. ⁵¹ Middle East conflict disrupts global pharmaceutical supply chains Apr. 2026.






Investment Comes With Caution And A Pragmatic Approach

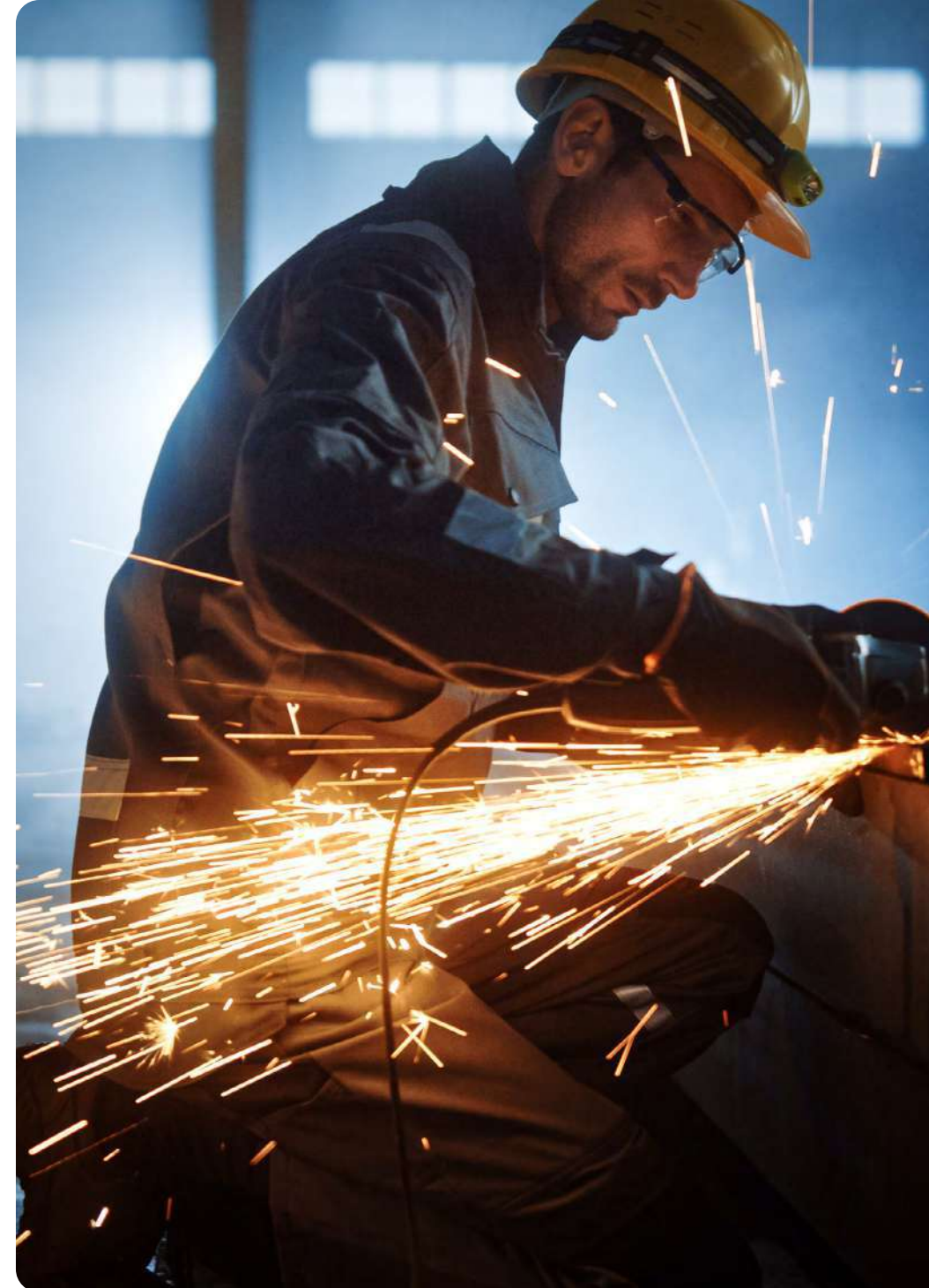
The only constant is change. Against the backdrop of global volatility and certain uncertainty, investment decisions are following the same patterns globally:

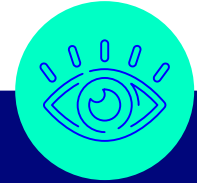
- Delayed to strategically evaluate how different shocks will evolve over time.
- Forensically assess the financial rational, value add, and return on capital using scenario planning methodology.
- Focus limited capital resources on areas with greatest degree of control.
- Leverage sustainability, automation and AI opportunities.

Despite an understandable “investment holding position” for businesses, many are seeing the value and competitive advantage in strategic investments which are futureproof and critical for continued growth.

Three recent client cases come to mind which Bank of Ireland supported and addressed/involved investment in the areas of ESG, Automation and AI

Client/Sector	Description	ESG- Automate-AI
Automation	Fund working capital and solar investment to scale business with high value multinational clients	
Infrastructure Industrial Equipment	Fund working capital to scale business in line with industry demands and green credential standards	
Remote monitoring of critical assets	Fund capital investment to expand business in line with growing environmental demands	





Outlook/Action Points

Supply Chain Visibility, Resilience and Agility capabilities are no longer optional. Following the multiple shocks of Brexit, Covid19, Ukraine and now the Middle East they are becoming strategic imperatives for business.

Visibility: The ability to understand the layers of your supply chain, “look around corners” and forming an early view of risks.

Resilience: The ability to resist, absorb and recover from supply chain disruption.

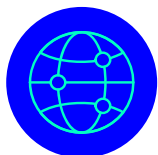
Agility: Speed of response and ability to minimise impacts.

In practice Irish Manufacturing firms have adopted a number of strategic initiatives to achieve above including:

1. Proactively identify the choke points and risks in the supply chain,
2. Know and implement your mitigating actions – including reshoring, outsourcing, dual supply, inventory buffers,
3. Build and resource properly your operations teams leveraging digital and AI to anchor supply chain decisions in data.

Resilient supply chains are a competitive advantage, and Irish manufacturing are targeting this **future proofing lever** to strengthen and grow our deep-rooted manufacturing base of multi-national corporations and SMEs.





Technology Media & Telecoms - Sectoral Trends

May 2026



Paul Swift

✉ paul.swift@boi.com

☎ 087 251 6681

Bank of Ireland

Ireland's AI Adoption Above The EU Average

Artificial intelligence is now firmly embedded across Irish workplaces, with survey evidence showing Ireland's AI adoption exceeding the EU average and reaching similar levels across organisation sizes and sectors, according to the AI Economy in Ireland 2026⁵² report by Trinity College, Dublin. Evidence suggests that around 43% of private-sector organisations and 36% of public-sector bodies report that AI tools are already in active use, while adoption rates are broadly comparable

between micro, small and medium enterprises (42%) and large organisations (44%).⁵³ It is clear from the survey findings that AI adoption has moved from intention to execution among those surveyed. That said, despite this widespread deployment, AI governance and oversight remains a challenge for many organisations, with just 43.6% of respondents having a formal AI policy in place (Figure 1).

Recent announcements of head count reduction across technology companies have been attributed to AI deployment. This report suggests that the workforce impact of AI, is likely to be more about role rebalancing⁵⁴ and evolving skills needs, than by job losses. Yet, alarmingly, it also points to a notable shift in recruitment strategies that increasingly prioritise AI-related capabilities, with 60% of respondent organisations claiming to have modified their graduate recruitment strategy.

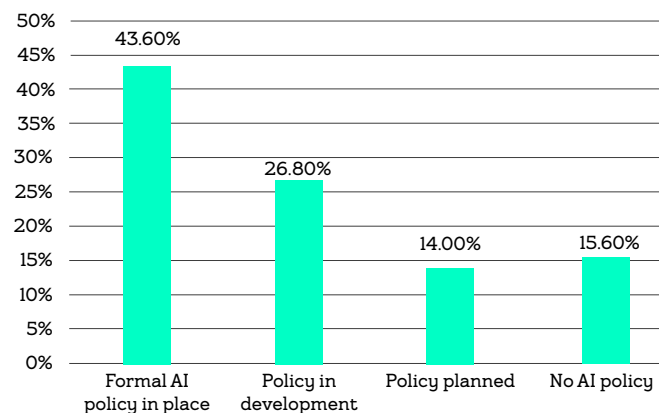


Figure 1: AI Governance and Policy Readiness among respondent organisations



⁵² TCD–AI-Economy-Report-2026-Web.pdf ⁵³ TCD–AI-Economy-Report-2026-Web.pdf ⁵⁴ <https://www.morganmckinley.com/ie/article/ireland-employment-monitor-q1-2026-latest-ireland-job-market>



Ireland's AI Adoption Above The EU Average (Cont.)

The report also highlights that 43% of organisations in the private sector have implemented AI tools. AI assistants have become more common place, such as agentic AI, which can be used to understand what customers want⁵⁵, not what they click. The days of traditional internet search are over and businesses need to be alert to this generational shift. Investment now needs to move from search engine optimisation (SEO) to generative engine optimisation (GEO); being recognised by machines that have learned an individual's preferences (Figure 2). Hence brands and organisations of every kind, need to rethink how they categorise information online, which needs to be clear, structured data, in a format that AI can simply read without effort. Rather than being displaced by generative AI models such as ChatGPT, Claude and Gemini, this presents a significant opportunity for media content creators to become expert in optimising content to ensure their client brands can be discovered in this new era of agentic AI.



Difference Between Generative Engine Optimization & Search Engine Optimization

These differences illustrate how the focus of content optimization is shifting from merely attracting search engine attention through technical means in traditional SEO to genuinely providing value and directly answering user queries in GEO.

GEO	SEO
Focus of Optimization	
Concentrates on content quality, relevance and directly answering queries for AI-driven generative search engines.	Targets keyword density, backlinks and meta information to improve rankings on traditional search engines.
Keyword Strategy	
Leverages NLP to understand query context, reducing the emphasis on specific keywords.	Emphasizes keyword research and placement to match user searches.
Content Creation	
Focuses on creating comprehensive content that answers user queries in a conversational manner.	Often produces content based on keyword targeting and SEO metrics, such as ranking and CTRs.
Technology Utilization	
Employs AI and machine learning algorithms to predict user intent and generate contextually relevant content.	User analytics and SEO tools to track rankings, backlinks and keyword performance in the search results.
User Experience	
Delivers precise answers and high-quality content that directly addresses the	Aims to optimize site speed, mobile responsiveness and user navigation for better rankings.

Figure 2: The Difference Between Search Engine Optimisation and Generative AI Optimisation⁵⁶

⁵⁵ Top five trends defining the new era for TMT sector | EY - Ireland ⁵⁶ The Difference Between Search Engine Optimization and Generative AI Optimization [Infographic] | Social Media Today



Middle East Crisis - Limited Direct Exposure, But Indirect Pressure Due To Higher Energy Costs

The TMT sector is not directly exposed to the current Middle East crisis to the same extent as more energy intensive industries. However, secondary impacts are becoming more visible, particularly through the increase in the cost of energy and heightened geopolitical risk.

European gas⁵⁷ prices have increased significantly, which is feeding through to higher electricity costs and is expected to lead to lower growth and higher inflation than previously expected⁵⁸. For TMT companies, particularly those in the data centre⁵⁹, telecom networks and media infrastructure, energy costs are not a peripheral, but a core cost input. Rising prices erode margins and can also result in a delay in investment decisions, dampening expansion appetite.

Geopolitical instability has also contributed to heightened cybersecurity risk, such as the recent medical technology company Stryker⁶⁰ which suffered a cyber-attack, disrupting its global internal networks; with Handala, an Iran-linked threat persona, claiming responsibility for the incident. PwC's Digital Trust Insights⁶¹ survey indicates that 38% of Irish organisations are reassessing the location of critical infrastructure, while 41% are increasing cyber insurance coverage. This reflects a broader shift towards resilience planning in response to an elevated threat environment.



Investment Focus

Increase In VC Investment In First Quarter

Telecoms/Tech Services was the second most active sector in Q1 2026, with 15 deals, up from 13 in Q1'25 according to Rhenatus M&A⁶², with cybersecurity remaining a strong subsector.

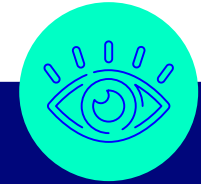
Venture capital investment in Ireland strengthened in early 2026, with 19 deals worth \$212.3 million closed in Q1 according to KPMG's Venture Pulse⁶³. This represents a substantial uplift compared to the last quarter of 2025, which saw \$155.1 million invested also across 19 deals. The largest deal during the quarter was led by a \$60 million raise by quantum computing firm Equal1. Despite wider global uncertainty, the latest KPMG Venture Pulse report shows Irish VC activity remained resilient, with continued investor interest, particularly in AI, with a clear shift toward larger, later-stage investments.

In parallel, the media sector continues to attract investment, with production spend reaching €544 million in 2025, which represents an increase of 26%⁶⁴ year-on-year, supported by strong international demand and favourable policy frameworks such as Section 481 tax relief. International productions to shoot in Ireland in 2025 included The Mummy and Netflix action series, Mercenary: An Extraction Series; and Amazon Prime Video series Bloodaxe. The Irish government have also announced approval by the EU Commission of the Visual Effects⁶⁵ (VFX) Uplift to the longstanding section 481 Film Tax Credit, which will allow for a new 40 per cent rate of tax credit for productions with a minimum of €1 million of eligible expenditure on relevant VFX work.

⁵⁷ Oil and gas prices won't immediately return to normal even if the Iran war ends, the EU warns | PBS News ⁵⁸ Quarterly Bulletin No.1 2026: Renewed surge in international energy prices tests domestic economic resilience ⁵⁹ Impact of Data Center Location on Energy Costs: Key Factors and Solutions ⁶⁰ Stryker Systems Disrupted in Cyber Attack; Handala Group Claims Responsibility | Arctic Wolf ⁶¹ PwC's Digital Trust Insights Survey 2026 — Report | PwC Ireland ⁶² Private Equity Ireland M&A Report – Q1 2026 - Rhenatus Capital Partners - Private Equity Firm - Dublin, Ireland. ⁶³ Irish venture capital funding rises in Q1'26 - Venture Pulse Q1 2026

⁶⁴ Irish production spend hit record high of €544m in 2025 | News | Screen ⁶⁵ Tánaiste welcomes state aid approval for Visual Effects Uplift to the Film Tax Credit





Outlook/Action Points

Embedding capability will define near-term performance

Looking ahead, the key differentiator for businesses in every sector will be the ability to move from awareness of AI to meaningful integration. Organisations that successfully embed these tools into core processes are likely to see sustained productivity gains, while those that delay may face widening competitive gaps. Opportunities remain in areas such as cybersecurity, managed services, digital content, and enabling infrastructure. At the same time, challenges include the rising cost of doing business, ongoing geopolitical uncertainty, and the pace of technological change.

Risk mitigation should focus on three areas:

- Strengthening operational resilience (particularly cyber and energy exposure),
- Investing in workforce capability and skills development,
- Maintaining flexibility in investment and strategy execution.

A clear priority for organisations is to create structured mechanisms for knowledge sharing and practical experimentation with AI. Evidence suggests that productivity gains are most effectively realised where adoption is broad-based⁶⁶ rather than siloed.

⁶⁶ The AI-Enabled Workforce — Insight | PwC Ireland





Health Sector Sectoral Trends

May 2026



Gráinne Mahon Henson
✉ grainne.henson@boi.com
☎ 087 934 6783



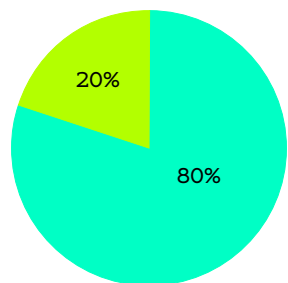
Sectoral Trends

Underlying activity across the health sector remains strong, supported by well-established demographic demand and the essential nature of service provision. Ireland's population aged 65+ now exceeds 800,000 with the 85+ population projected to more than double by 2040. the cohort most closely associated with health needs⁶⁷. Across nursing homes, community pharmacy and residential disability services, demand conditions continue to be resilient, with capacity constraints, workforce availability and funding structures remaining the key factors shaping performance rather than demand itself.

In residential care, nursing home occupancy has remained consistently into early 2026, with national occupancy levels in the mid -90% range.⁶⁸ As of Q2, 2026, Ireland has approximately 32,200 registered nursing home beds across c. 544 facilities, with private and voluntary operators accounting for c.80% of homes (c.434) and a higher c. 84% of total bed capacity, reflecting the concentration of scale within the private sector.⁶⁹ Notably, c.58% of private nursing home beds are now group-owned, an increase of c. 7 percentage points since 2023, indicating ongoing consolidation and M&A activity.⁷⁰

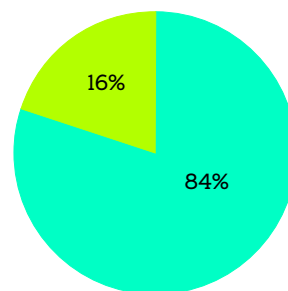
Capacity growth has been limited in recent years, despite sustained demand, highlighting ongoing supply constraints across the sector. Performance continues to vary across operators, reflecting differences in staffing stability, regulatory standing, geographic Fair Deal rates and the age and condition of physical assets.

Nursing Home Facilities (c.544)



■ Private/Voluntary ■ Public/HSE

Nursing Home Beds (c.32,000)



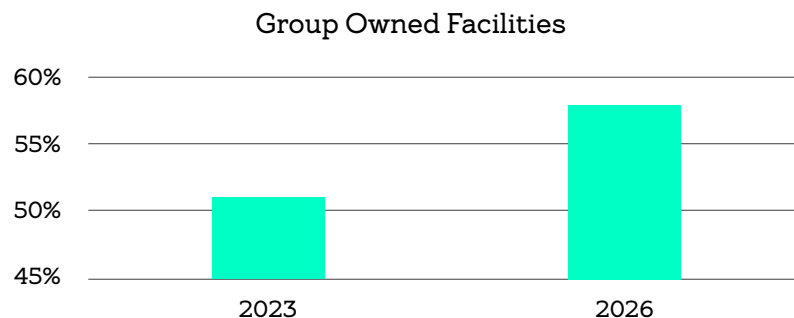
■ Private/Voluntary ■ Public/HSE



⁶⁷ Economic and Social Research Institute (ESRI), Projections of demand for healthcare in Ireland, 2022-2040/Long term care demand projections. ⁶⁸ BDO & NHI, Bi-annual Pulse Survey, December 2025 ⁶⁹ HIQA, Older Persons Register, accessed April 2026 ⁷⁰ PKF Brenson Lawlor, Snapshot of the Sector, 7th National Nursing Home Owners/Operators Conference, April 2026



Sectoral Trends (Cont.)



- Cost pressures remain a defining feature across the sector, particularly within residential care. Staffing costs, which represents the largest component of the cost base, have increased materially since 2019, driven by statutory increases, including minimum wage increases of c. 6% in 2025 and 4.8% in 2026, alongside broader inflationary pressure of c. 2.5%+.^{71, 72}
- In addition, increases in minimum annual remuneration thresholds for employment permits and the operational impact of the 50:50 staffing mix requirement have further intensified cost pressures, particularly for providers dependent on international recruitment.⁷³ Potential legislative amendments to the 50: 50 rule remain under consideration, with no clear timeline yet established.
- At the same time, care needs continue to increase in complexity across the sector, with the growing proportion of individuals requiring higher levels of support. This is reflected most clearly in residential settings, where data indicates that 69% of nursing homes report higher resident dependency levels and 85% report an increase in care hours. This rising acuity is driving increases in staffing requirements and associated cost pressures, reinforcing the challenges of aligning funding models with the evolving complexity of care needs.⁷⁴
- Community pharmacy continues to perform strong, supported by increasing prescription volumes and underlying demographic demand growth and an increasing chronic disease prevalence.⁷⁵
- The Community Pharmacy Agreement 2025 delivered the first meaningful uplift in remuneration and several years, including higher dispensing fees. (c. €5.60 on the first 1,667 Items per month) and expanded service payments, supported by c. €50m in 2026).⁷⁶
- The rollout of the Common Conditions Service represents a further shift in the model of care, enabling pharmacists to assess and treat a defined range of conditions and, where appropriate, prescribe treatment, easing pressure on GP services.
- Across healthcare, greater technology adoption is evident, with providers prioritising areas such as administrative efficiency, compliance, rostering and reporting. There is also early evidence of artificial intelligence beginning to support delivery, with the Department of Health's 2026 *AI for Care strategy*⁷⁷, cases including faster diagnostics, improved patient flow and the potential to reduce clinical documentation time by up to 40%. While still evolving, this reflects a shift towards more technology-enabled care, particularly in high volume settings.
- At the same time, ESG considerations, particularly energy efficiency, workforce wellbeing and governance, are becoming increasingly important across the sector. Recent energy market volatility has reinforced the importance of cost control and operational resilience for providers.

⁷¹ Department of Enterprise, Trade & Employment, gov.ie, October 2023; ⁷² Government of Ireland, Budget 2026: National Minimum Wage increase to €14.15 ph from 1 January 2025 ⁷³ Department of Enterprise, Trade and Employment, Employment Permits Act 2024 and related legislative updates. ⁷⁴ BDO & NHI, Bi-annual Pulse Survey, December 2025 ⁷⁵ HSE Primary Care Reimbursement Service data ⁷⁶ Health Service Executive (HSE), Community Pharmacy Agreement 2025; Primary Care Reimbursement Service (PCRS) data. ⁷⁷ Department of Health, AI for Healthcare (AI) Strategy for Healthcare in Ireland 2026-2030, gov.ie, March 2026



Middle East Crisis

The ongoing Middle East conflict represents a renewed external risk for the health sector, primarily through its indirect impact on energy markets, transport costs and global supply chains. While the immediate effect on healthcare delivery has been limited, cost pressures may already be beginning to emerge and are widely expected to become more evident later in 2026.

Healthcare provision is particularly exposed to sustained energy price volatility, especially in energy intensive residential and hospital care settings. Higher fuel and utility costs feed directly into operating expenses, while shipping disruption and rerouting have the potential to raise the cost of imported pharmaceuticals, consumables and specialist equipment.⁷⁸ Commentary from the European Central Bank & the International Energy Agency highlights the risk that current energy prices may not yet fully reflect prevailing geopolitical conditions.

A key structural vulnerability remains the sector's limited ability to pass through rising costs. Much of the sector operates as a price taker, with revenues largely determined through public funding mechanisms such as Fair Deal, HSE service contracts and PCRS reimbursement. Where funding adjustments lag underlying cost movements, margin pressure emerges, particularly for smaller and independent providers.

That said, the sector's recent experience offers reassurance, With the sector having demonstrated strong resilience through multiple shocks.



Investment Focus

Investment activity across the health sector continues, with a focus on scale, asset quality and the ability to manage increasingly complex operating requirements. Consolidation within nursing homes has continued with group ownership accounting for approximately 58% of private beds. Similar trends are further emerging across disability and home care services, with medium⁷⁹ to large operators continuing to scale through acquisition and expansion.

Approximately 80% of total health spending is publicly funded, yet a significant proportion of care delivery is carried out by private providers, particularly where public capacity is constrained. Demand growth continues to outpace public provision, reinforcing the number of private providers.⁸⁰ Public capital investment remains a key driver of sector development with C. €9.25 billion committed to health infrastructure under the National Development Plan (2026 – 2030). Investment is focused on areas such as surgical hubs, elective centres, community care⁸¹ and digital health systems, shaping where private capital is deployed.

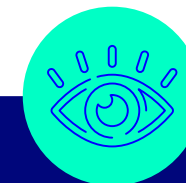
A notable trend is the increasing level of M&A activity in home care services. The sector remains fragmented but is attracting growing interest from private equity and platform operators, supported by demand, recurring state-backed income and relatively low capital investment. The planned introduction of statutory regulation and licencing is placing pressure on smaller providers and this is likely to drive further exit activity, while also attracting institutional capital, with regulation increasingly acting as a barrier to entry that favours scale.

At the same time, the expansion of private provision within disability services continues, supported by sustained funding growth and increasing demand for more specialised, community-based care models. Larger operators are scaling in response, with investment directed towards providers capable of meeting more complex regulatory and operational requirements.

Across the sector capital investment is on improving existing facilities, including refurbishment, energy efficiency upgrades and administrative digitalisation, rather than new build expansion. This reflects construction cost inflation, planning & regulatory constraints, and a more cautious investment environment.

⁷⁸European Central Bank and International Energy Agency, Oil Market Report & Energy Outlook Updates.(2025–2026) ⁷⁹HIQA, Older Persons Register, hiqa.ie, accessed April 2026 ⁸⁰Central Statistics Office (CSO), System of Health Accounts 2023, June 2025 ⁸¹Government of Ireland, Nationals Development Plan 2026-2030, gov.ie, July 2025





Outlook/Action Points

- Demand across the health sector is expected to remain robust over the next 12 months, supported by demographic trends and ongoing capacity pressures. CSO projections point to continued growth in the population aged 65+, reinforcing long term demand for residential and community based care.
- The State is expected to continue relying more on private providers as demand exceeds public capacity, supporting steady demand across the sector.
- Investment is expected to remain focused on scalable operators with the capacity to manage regulatory, staffing and cost pressures. Capital is likely to be directed towards operators with strong governance, quality asset and the ability to sustain performance in a more demanding operating environment.
- Key challenges are expected to remain centred on workforce availability, funding adequacy and regulatory burden. Operators with legacy Fair Deal rates, ageing infrastructure and staff retention difficulties are likely to remain most exposed, while well capitalised providers with strong governance and staffing stability are better positioned.
- Digitalisation will remain a practical focus, with early use of AI supporting care planning, documentation, and clinical diagnostics.
- Diversification into home care, disability and other community-based services is expected to continue, aligned with policy direction and the ongoing shift away from institutional models of care. At the same time, consolidation is expected to continue across sub sectors, with scale increasingly required to meet regulation standards, manage staff challenges and access capital.
- Having weathered multiple external shocks in recent years, healthcare continues to stand out as a resilient and defensive sector, albeit one where operational capability will increasingly determine sustainability.





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