



ANNUAL REVIEW

2019

START

BAROMETER»»

BUSINESS IN IRELAND

“Another record breaking year for business start-ups as Ireland’s economy continues to grow.”



Foreword

Foreword

2018 was the second consecutive record-breaking year for new company start-ups. Despite geopolitical uncertainty, economic activity has increased, albeit at a slower rate, and remained diversified across multiple sectors.

The Government has continued to pursue pro-enterprise policies to the country's overall benefit.

2019 is likely to be a critical year, however, for multiple reasons. First, Ireland's economy is in a mature phase. While it is evidently robust, we are unlikely to be able to sustain the fast growth that defined the last six years, particularly as we edge towards full employment. It will be harder for companies to find the necessary talent to fill job vacancies, a challenge that has the potential to limit the speed at which these companies can grow and scale, which in turn will limit economic growth.

"Of course, the great gamble of 2019 is Brexit. We simply don't know to what extent it will affect the Irish economy in its totality, though it is already clear that some sectors, particularly those that depend on Britain, such as agri-food and tourism, will be impacted by sterling fluctuations and the border issue.

As a no-deal scenario remains a distinct possibility, the onus is on Irish companies to prepare for disruption to the greatest extent possible, and for the Irish Government to ensure that businesses understand what can be done to mitigate risk, what can be provided in assistance, and the measures it intends to implement to safeguard the economy from the worst effects of a hard Brexit."

"2018 was a milestone year. 22,493 new companies were registered, the highest number ever recorded."



Christine Cullen
Managing Director,
CRIF Vision-net.ie

Business In Ireland

Annual Review



0.5%
START-UPS
HIGHEST EVER

26%
CO. INSOLVENCIES
DOWN SIGNIFICANTLY

34%
JUDGMENTS
BY VALUE REGISTERED

1%
DUBLIN
GROWTH IN NEW COMPANIES

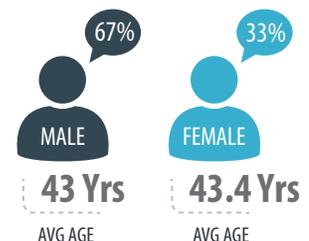
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NEW DIRECTORS
29,586 PEOPLE BECAME DIRECTORS FOR THE FIRST TIME

BAD DEBT FROM JUDGMENTS
€274m

BAD DEBT FROM PERSONAL INSOLVENCY
€2.69bn

BAD DEBT FROM PERSONAL BANKRUPTCIES
€762m



Executive Summary

Executive Summary - An International Perspective

Business boundaries are gradually disappearing. Retailers are entering the banking business, utilities are becoming goods providers, and banks are increasingly leveraging data to advise and address emerging customer needs.

Technology and regulatory waves (PSD2, GDPR, etc.), are creating new players in the financial services market such as fintechs and peer-to-peer lenders as well as new ecosystems.

The ability to adjust to changing environments will become key. This will involve:

- Continuous definition/redefinition of tomorrow's business model such as where to compete, which industries to serve and which supply chains to operate
- Intelligent clustering of clients to better understand the different needs of the digital customer of tomorrow
- Enabling customers to better serve their clients
- Identifying new connections within supply chains

CRIF is now advising a diverse range of organisations across Ireland and at EU-level, on how to work in these rapidly changing conditions.

Our aim is to develop systems that allow for financial and digital inclusion, for every business, and individual through the value provided with innovative offerings to precisely meet specific needs.

By leveraging on each specific market's culture in information management, CRIF is able to deliver the most customised and relevant solutions to our clients - which in turn allows our clients to thrive in this fast moving, business environment.

"Technology and regulatory waves (PSD2, GDPR, etc.), are creating new players in the financial services market."



Sara Costantini
UK and Ireland Regional
Director, CRIF

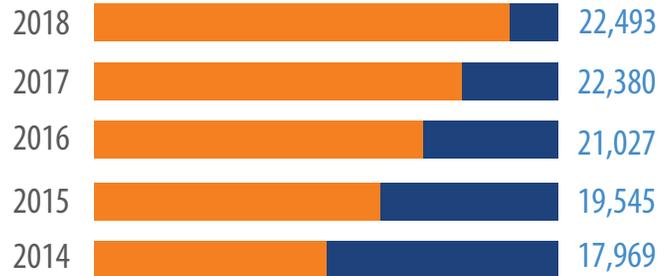
Company Start-Ups

Increase In Overall Number Of Irish Start-Ups

43,695 companies and businesses were registered in Ireland last year - down 6% on 2017's figure. While the number of business registrations fell by 12% (21,202 v 24,130), newly formed companies experienced a record breaking year.

RECORD YEAR FOR IRISH COMPANY START-UPS

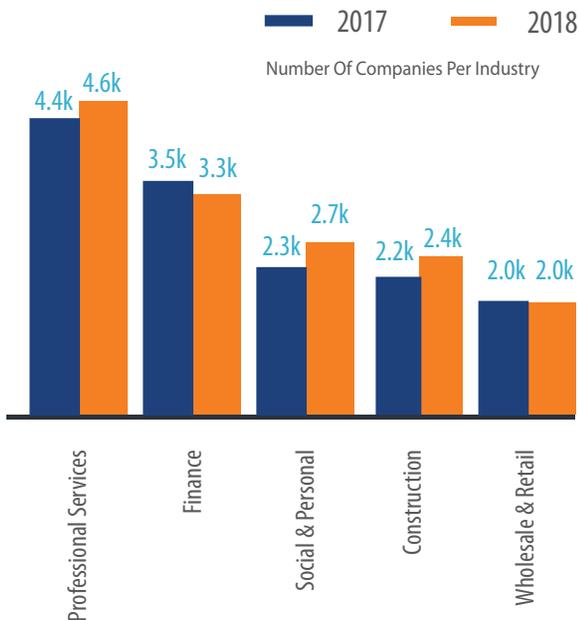
There were 22,493 new companies registered in 2018, 0.5 percent more than 2017 (22,380). In addition to this, the figure for company start-ups in 2018 is the highest ever seen in Ireland, and beats the previous record which was set in 2017. Irish company start-up figures have been experiencing year on year increases over the past number of years.



QUARTER 1 - 2019

The positive news regarding company start-ups has been carried forward into the first quarter of 2019, which has seen 6,413 new companies formed - the highest number recorded, in the first quarter, in 13 years and up almost 14% on Q1-2018 (5,644)

5 KEY INDUSTRIES FOR START-UPS

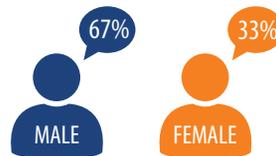


- The most popular industry was professional services, which accounted for 4,575 of all company start-ups - up 4% on the previous year.
- The finance sector was the second most popular industry for start-ups in 2018. 3,462 new companies were set-up, down 4% on 2017 (3,326 vs 3,466).
- The construction sector continued to recover last year as 2,356 start-ups were recorded, up 6% year on year (2,226).



ENTREPRENEURIAL SPIRIT

60% of Directors appointed in 2018 were first time directors. In terms of the gender breakdown, we see that 67% of first time directors in 2018 are Males and 33% are Females.



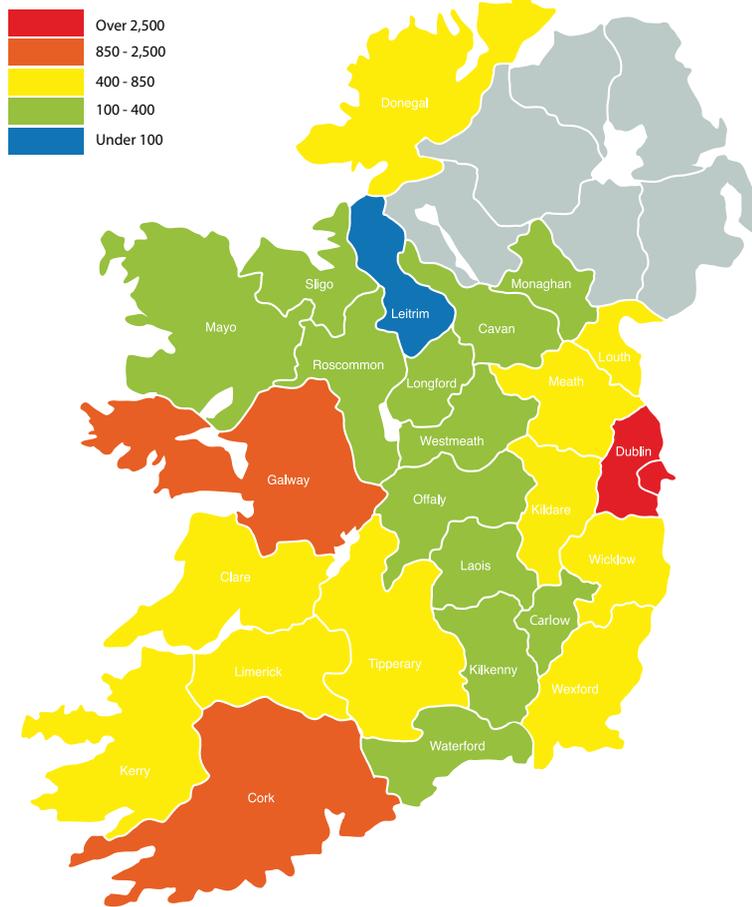
"Record High... 2018 was the best year for company start-ups since records began."

Company Start-Ups By County

Company Start-Ups - Nationwide Heat Map

Dublin continued to lead the way in terms of company start-ups throughout 2018. A total of 10,313 new companies were formed in the capital, a slight year on year increase. Cork was the second most popular area for new companies with 2,260 start-ups - this is in line with 2017's total of 2,253.

Company Start-Ups - Jan - Dec 2018



- Dublin was the most popular location for company start-ups – accounting for almost 46% of all new companies formed in Ireland in 2018.
- Cork is in second place on the list – with 2,260 start-ups, which is very similar to the previous year's total (2,253).
- Galway, Limerick and Kildare account for 2,588 company start-ups – between them. Of these three counties, only Limerick saw an increase in company start-ups (847 v 756 - up 12%).
- The first 3 months of 2019 saw no change in the status quo for the most popular locations of new start-ups. Dublin remains the most frequently chosen location with over 48% of new companies formed there. Cork, Galway, Limerick and Kildare make up the remainder of the Top 5.

THE 5 MOST POPULAR COUNTIES FOR COMPANY START-UPS IN 2018

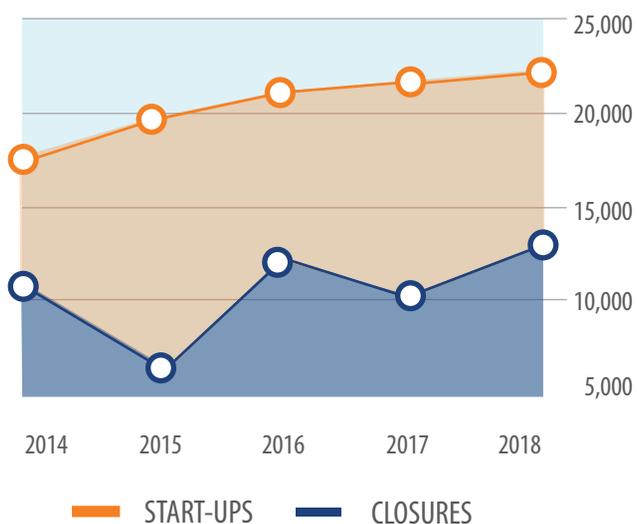
COUNTY	% OF START-UPS	NO. OF START-UPS	DIFF	% DIFF
Dublin	45.9%	10,313	+84	0.8%
Cork	10.0%	2,260	+7	0.3%
Galway	4.0%	897	-56	-5.9%
Limerick	3.8%	847	+91	12.0%
Kildare	3.8%	844	-9	-1.1%

Company Closures

Company Dissolutions Increased In 2018

12,836 Irish companies were dissolved in 2018 which is up 21% year on year. It should be noted that a company can be dissolved for reasons other than insolvency - including the company reaching the natural end of its life.

COMPANY START-UPS vs COMPANY CLOSURES



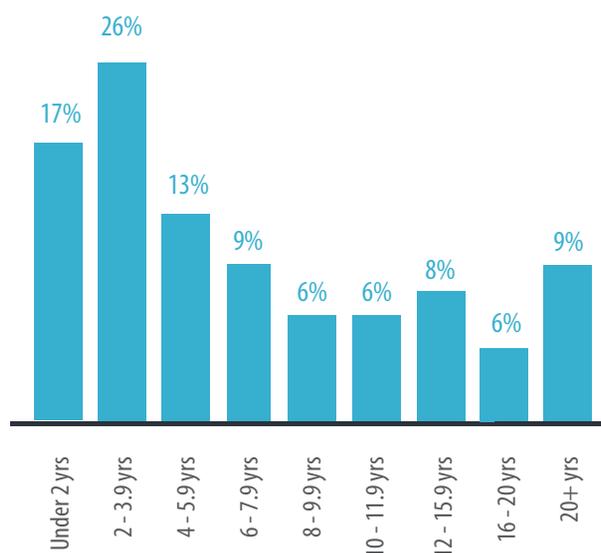
YEAR	START-UPS	CLOSURES	DIFF
2018	22,493	12,836	9,657 ↑
2017	22,380	10,592	11,788 ↑
2016	21,027	12,578	8,449 ↑
2015	19,545	7,089	12,456 ↑
2014	17,969	11,635	6,334 ↑

Q1-2019 ANALYSIS

Figures, for Q1-2019, show that start-ups continue to exceed company closure numbers (6,413 start-ups v 2,886 closures). If this trend continues throughout the year, start-ups will exceed closures by over 14,000 companies.

- Company start-ups have outnumbered company closures for the past 5 years.
- Last year saw Irish company start-ups exceed company closures by over 9,600 entities.
- With almost 223,000 companies now trading as normal in Ireland this represents a 4% net gain in companies.
- Company closures were up 21% on 2017's figure of 10,592.
- Percentage breakdown for affected industries is largely in line with 2017 figures.
- 42% of companies closed before completing 4 years in business. Over half closed by year 6. Closure rates, after year 6, fall substantially.

CLOSURES - LENGTH OF TIME IN BUSINESS

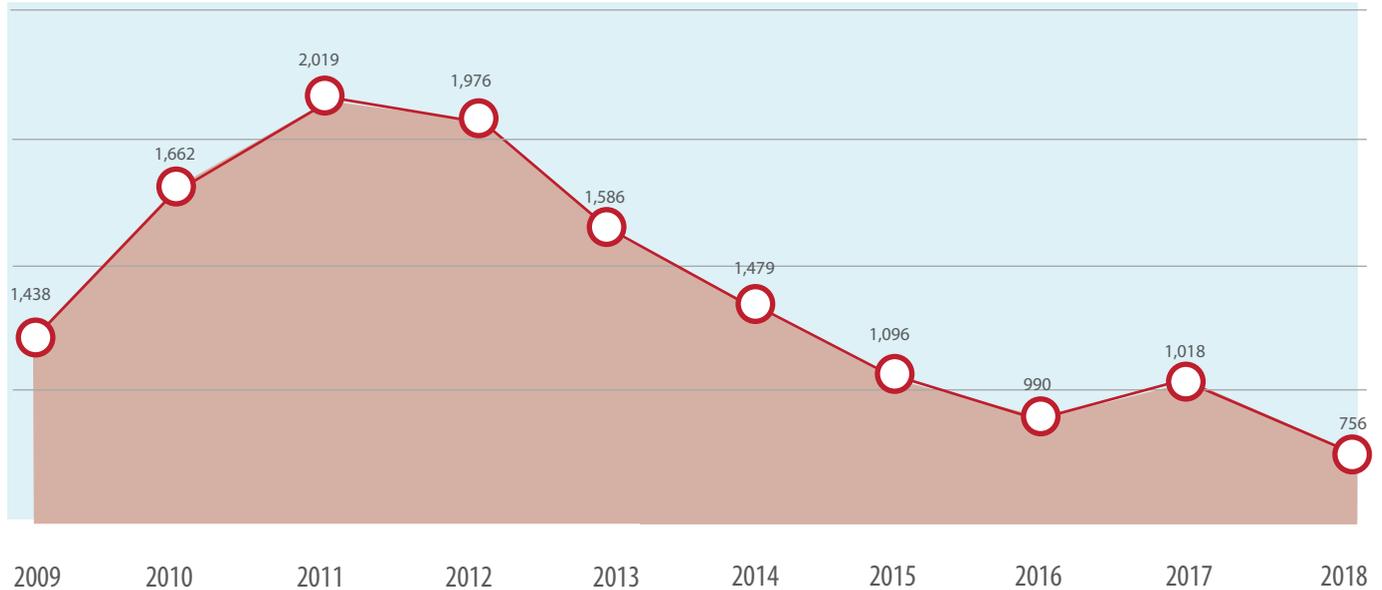


Company Insolvencies

Company Insolvencies - Last 10 Years

Over the past 10 years, Ireland has entered in to and emerged from, a period of recession. As you can see below, the rise and fall in Irish company insolvencies during this period, helps us understand the severity of the situation we faced and the progress that we have made thereafter.

IRISH COMPANY INSOLVENCIES: 2009 - 2018



BREAKDOWN OF COMPANY INSOLVENCIES 2018

The percentage of Irish companies that published an insolvency notice in 2018 was down almost 26% year on year. A total of 756 insolvencies were recorded compared to 1,018 the previous year. These are companies that ceased in 2018 and had an examiner, receiver or liquidator appointed where no declaration of solvency was filed.

566	COMPANIES IN LIQUIDATION	17% ↓
161	COMPANIES IN RECEIVERSHIP	51% ↓
29	COMPANIES IN EXAMINERSHIP	123% ↑

- 2018's company insolvency figure is down 26% on the previous year. Bar a slight blip in 2017, we can see a steady year on year reduction in Irish insolvencies from 2011.
- 756 Irish companies filed an insolvency notice in 2018, down 26% year on year (1,018).
- There was an average of almost 63 companies with an insolvency notice, per month, in 2018 (compared to 85 per month in 2017).

INSOLVENCIES Q1-2019

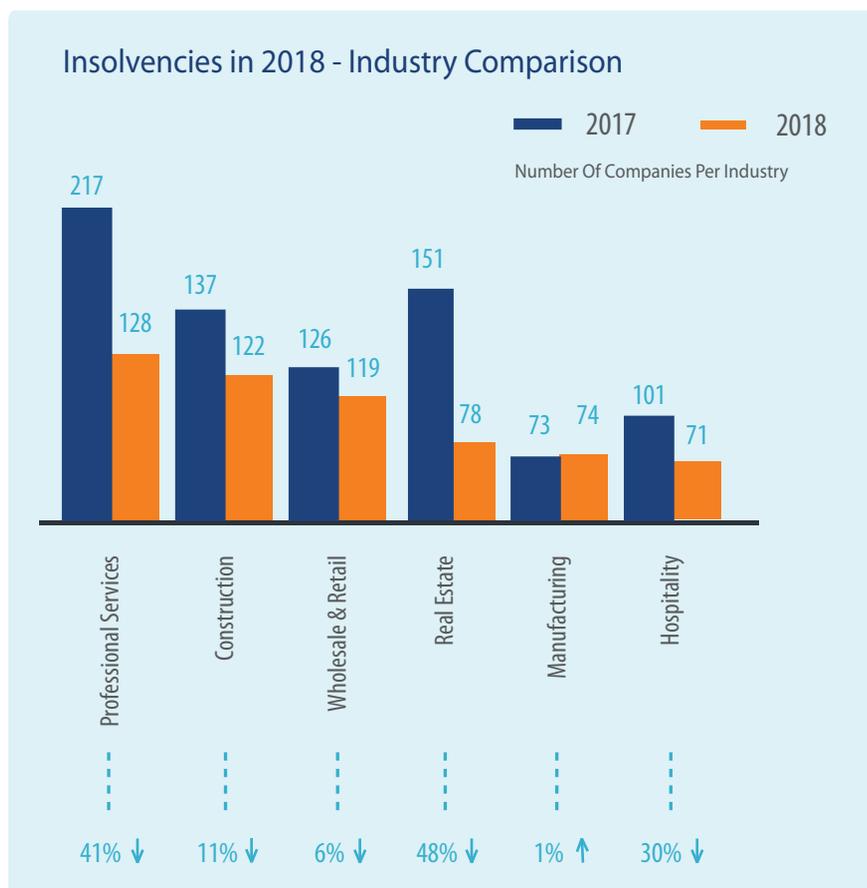
Insolvencies in Q1-2019 (192) remain largely in line with the same period last year (186). An average of 64 companies, per month, were declared insolvent in the first 3 months of 2019.

Ask us about our Risk Assessment Solutions today on Tel: 01 903 2660

Corporate Insolvency - Industry Analysis

Sectors Most Affected By Insolvencies in 2018

The majority of industry sectors saw insolvency figures drop compared to 2017's figures - which does support the idea of Ireland moving past the recession years.



- The most insolvent industry was professional services which accounted for 128 insolvencies – despite being the most affected industry, this figure is a 41% drop on 2017's total.
- Construction was the second most insolvent industry (122), a decrease of 11 percent on 2017 (137).
- There was a marked improvement in the real estate sector which saw a 48% year on year decrease in insolvencies (78 v 151).
- There was also an improvement in the hospitality sector which saw a 30% reduction year on year (71 v 101).
- A review of Q1-2019 figures shows that professional services remains the industry most affected by insolvency (31). It is joined by wholesale & retail (also 31) with construction next on 25 insolvencies.

Professional Services includes Accounting, Legal, Administration, Marketing, Architecture, General Business, Cleaning, Consultancy, Engineering, HR, Security, Photography, R&D Services and other professional service providers.

COUNTIES MOST AFFECTED BY INSOLVENCIES IN 2018

- Dublin was the most insolvent county in Ireland, recording 316 insolvencies - this is down 28% on 2017 (441).
- Cork, the second most insolvent county, recorded 19 fewer insolvencies in 2018 (71) compared to 2017 (90), a 21 percent decrease.

COUNTY	2017	2018	DIFF
Dublin	441	316	28% ↓
Cork	90	71	21% ↓
Meath	28	47	68% ↑
Galway	82	44	46% ↓
Kildare	32	37	16% ↑

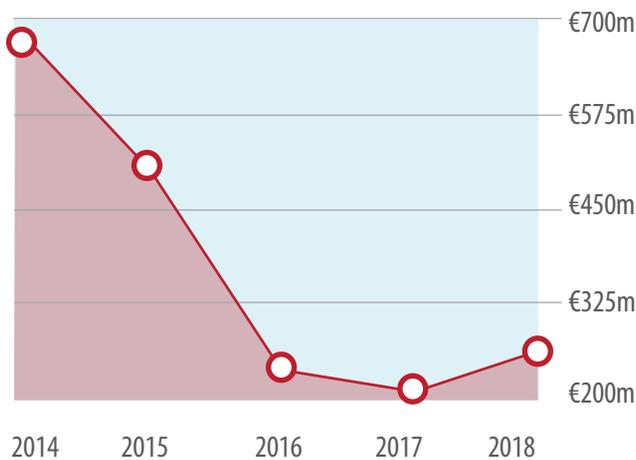
Bad Debt Judgments

Registered Bad Debt Judgments In 2018

2,525 Registered Commercial and Consumer Judgments were awarded in 2018. This represents a drop of 6% on the number of Judgments registered the previous year (2,525 vs 2,695). The value of Judgments awarded during 2018 totalled €274m, which represents a 34% increase on 2017's figure of €204.6m.

3 out of every 4 of Judgments awarded were registered against Consumers with the remainder being Commercial Judgments. While the number of judgments registered against Consumers was down slightly year on year (1,949 v 2,019), the combined value of these bad debt judgments increased by 39% (€258.8m v €185.8m).

BAD DEBT JUDGMENTS - TREND BY VALUE



- The value of Judgments registered in 2018 decreased by 34%.

AVERAGE VALUE OF BAD DEBT

against Individuals			€133K
against Companies			€26K
combined			€108.5K

CONSUMER JUDGMENTS - TOP PLAINTIFFS

Banks	€119.9m
Finance	€67.8m
Revenue	€43.4m
Social & Personal	€2.8m
Credit Union	€1.0m

COMMERCIAL JUDGMENTS - TOP PLAINTIFFS

Revenue	€3.5m
Social & Personal	€2.8m
Local Authorities	€2.3m
Wholesale & Retail	€0.8m
Professional Services	€0.8m

CONSUMER JUDGMENTS

YEAR	VALUE	NO
2018	€259m	1,949
2017	€186m	2,019
2016	€210m	2,070
2015	€446m	3,184

COMMERCIAL JUDGMENTS

YEAR	VALUE	NO
2018	€15m	576
2017	€19m	676
2016	€25m	820
2015	€47m	1,019

Q1-2019 BAD DEBT JUDGMENTS

YEAR	VALUE	NO
CONSUMER	€26m	582
COMMERCIAL	€1.4m	105

Unpaid Debts

Unpaid Debts in 2018

TOTAL BAD DEBTS IN IRELAND



Bad Debts From Failing Companies

Insolvencies fell by 26% in 2018, and the value of short term bad debts left by these entities was €680m less than the previous year. The figure for bad debts owed to unsecured short term creditors was down 21% year on year, from €3.19bn to €2.51bn. This means bad debts from companies with insolvencies totalled over €48m per week in 2018.

	2017	2018	DIFF	%
VALUE	€3.19bn	€2.51bn	-€680m	-21%
NO. OF CO.s	1,018	756	-262	-26%

- Figures are for companies wound-up by the High Court or that appointed a liquidator, receiver or examiner and didn't file a declaration of solvency.
- Money owed to short term creditors was €2.51bn (decrease of 21% year on year).
- The number of company insolvencies in 2018 fell by 26% (756 v 1,018).

Companies and business managers are encouraged to fully risk check customers to minimise exposure to bad debts.

Personal Insolvency Overview

Bankruptcy

397 bankruptcy cases were recorded in 2018 - a decrease of 16% year on year. While the number of bankruptcies recorded dropped last year, the value of these cases increased (from €690m in 2017) to €762m.

YEAR	NO. OF BANKRUPTCIES	DIFF
2018	397	-76 ↓
2017	473	-53 ↑
2016	526	47 ↑
2015	479	

QUALIFYING DEBT FROM BANKRUPTCIES IN 2017

397 CASES

€762m

- The value of qualifying debts from bankruptcies is up just over 10% on 2017's figure (€690m).

Personal Insolvency Vehicles

There was a 31%, year on year, increase in Personal Insolvency Arrangements in 2018. During the same period Debt Settlement Arrangement cases increased slightly (2.5%) while there was a drop in Debt Relief Notices (-15%).

PERSONAL INSOLVENCY - 2018

INSOLVENCY TYPE	2017 NO OF CASES	2018 NO OF CASES	MOVEMENT	DIFF
Protective Certificates	2,198	1,958	-240 ↓	-11%
APPROVED ARRANGEMENTS				
Personal Insolvency Arrangements	733	959	226 ↑	31%
Debt Settlement Arrangements	160	164	4 ↑	2.5%
Debt Relief Notices	222	189	-33 ↓	-15%
Totals	1,115	1,312	197 ↑	18%

BAD DEBT FROM PERSONAL INSOLVENCY PIA's, DRN, & DSA

€2.69bn

1,312 CASES

- 1,958 individuals sought a Protective Certificate to protect their assets while they applied for a PIA, down 11% year on year (1,958 vs 2,198).

HIGHEST NO. OF
START-UPS
EVER



BUSINESS
CLOSURES
CONTINUE TO FALL

BAD DEBT FROM
JUDGMENTS

€274m

BAD DEBT FROM
PERSONAL
INSOLVENCY

€2.69bn

BAD DEBT FROM
BANKRUPTCIES

€762m

19

0.5% ↑
START-UPS
HIGHEST EVER

26% ↓
CO. INSOLVENCIES
IN LINE WITH 2017 FIGURES

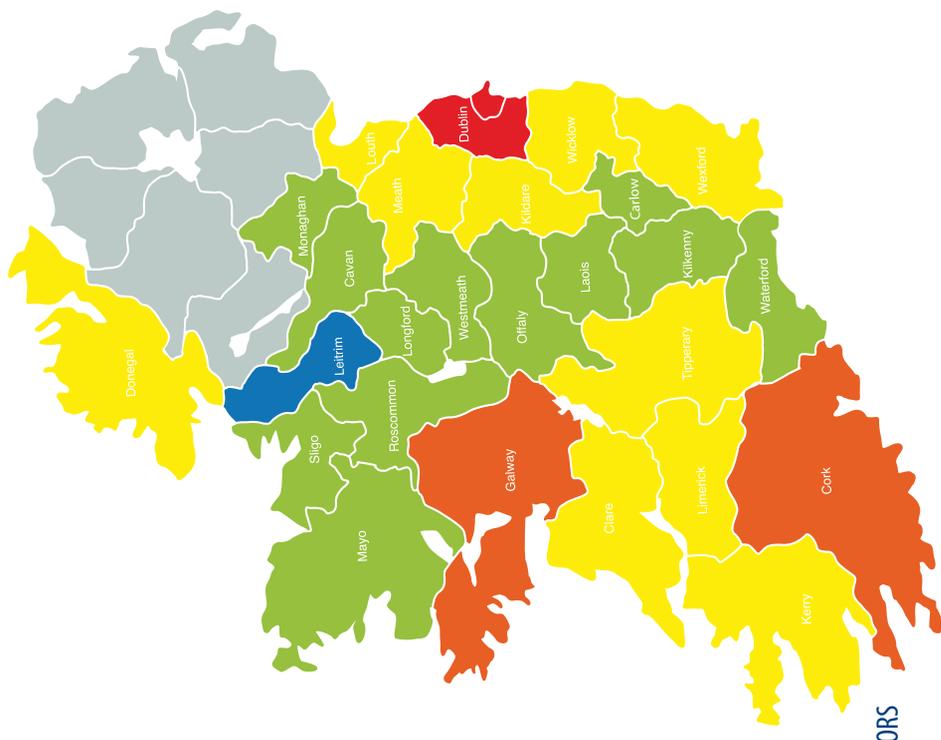
34% ↑
JUDGMENTS
BY VALUE REGISTERED

1% ↑
DUBLIN
GROWTH IN NEW CO.S

NEW DIRECTORS
29,586 PEOPLE BECAME DIRECTORS
FOR THE FIRST TIME



Start-Ups - Heat Map



The gap between urban and rural economies simply refuses to close as Dublin alone once again accounted for nearly half of all start-up companies in 2018.

About Us

CRIF Vision-net, is a leading provider of credit information on companies, and businesses.

Our cutting-edge information services enable our clients to make better decisions in relation to AML, credit assessment, risk management, customer insight and anti-fraud.

With CRIF Vision-net, you can expect exceptional expertise in accessing the very latest real-time data on Irish and UK companies. This coupled with over 28 years researching and reporting on businesses, has led our service to be ranked as one of the leading information agencies in Ireland. In any single business day the majority of top professional service firms, financial institutions, media outlets, and company managers use and trust Vision-net data in their business processes.

Our information solutions are flexible and tailored to our customers' needs and budgets, ensuring entities across the business spectrum, from SMEs to large enterprise organisations such as banks and insurance companies alike, can enjoy access to the latest insights and reports on their customers, competitors and suppliers, to help enhance their decisions and protect and grow their business.



The CRIF Group



CRIF Vision-net, is part of CRIF, a global company specialising in credit bureau and business information, and credit solutions. The group currently has around 4,400 staff professionals and 70 subsidiaries in 30 countries across four continents. CRIF is a leading provider of credit information for banks in continental Europe and is one of the leading international companies in integrated services and solutions for business information and credit and marketing management. The company is included in the attractive FinTech 100, a ranking of the leading global technology solution providers for the financial services industry. 6,300 banks and financial institutions and 55,000 business customers across 50 countries currently use solutions from CRIF every day.

For further details on CRIF simply visit www.crif.com.

Call us today on Tel: 01 903 2660 to learn more on how we can help your business.

BUSINESS IN IRELAND

2019
START

CRIF Vision-net

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