# **NewERA**

Annual Financial Review 2021/22



# **About Us**

NewERA provides financial and commercial advice to Government Ministers and Departments in relation to commercial State owned companies across a range of sectors. NewERA's approach is to facilitate an enhanced level of active ownership by the State as shareholder in these companies. This report relates to the companies that are designated to NewERA under legislation, which are collectively referred to in this report as the Portfolio or the Portfolio Companies.



# **Table of Contents**

Introduction	3
The Portfolio at a Glance	4
Climate Action Framework	7
Gender Representation	9
Portfolio Financial Performance	11
Company Overviews	16
Appendix A – Important Notice	25
Appendix B – Shareholdings/Stockholdings of the Portfolio Companies	26
Appendix C – Board and Gender Representation Statistics	27
Appendix D – Financial Performance Measures	28
Appendix E – Aggregated Financial Information	29

# NewERA Advisory Functions

- Financial performance, return on capital and dividend policy
- Effective and efficient use of capital
- Corporate strategy
- Capital and investment plans
- Acquisitions, disposals, reorganisations, restructurings
- Board appointments and remuneration

# Portfolio Companies

- > An Post
- Bord na Móna
- > CIÉ
- Coillte
- daa
- Dublin Port
- EirGrid
- Ervia Gas Networks Ireland
- Ervia Irish Water
- **ESB**
- Irish Aviation Authority
- Port of Cork
- Port of Waterford
- Shannon Foynes Port
- The Shannon Airport Group



# Introduction

This report sets out an overview of the financial performance of the Portfolio Companies in respect of the reporting periods spanning 2021<sup>1</sup>. Although the aggregated results have improved relative to 2020, they still remain below pre-pandemic levels and will be impacted in 2022 by the broader macro environment including the impact of the ongoing energy crisis.

The Portfolio's combined operating profit levels improved by 60% from €744m in 2020 to €1.2bn in 2021, although remain significantly below pre-pandemic levels (2019: €1.7bn). As outlined in the last Annual Financial Review, the Covid-19 pandemic had a significant operational and financial impact for a number of the Portfolio Companies. For example, each of daa, CIÉ and An Post continued to report operating losses in 2021, reflecting the ongoing challenges from Covid-19 on trading conditions in those sectors. However, the operating loss positions in daa and CIÉ were lower than in 2020, reflecting the start of a recovery in air traffic and passenger volumes during 2021, and almost all of the other Portfolio Companies generated higher levels of operating profit in 2021. This, coupled with a reduced level of exceptional costs, resulted in a significant improvement in aggregate net profits after tax, which increased from €22m for 2020 to €0.6bn in 2021, although still approximately half 2019 aggregate levels of €1.1bn.

However, the recovery from the pandemic has coincided with the European energy crisis. Wholesale European gas prices started to increase in the third quarter of 2021, with periods of significant volatility over the remainder of 2021 and into 2022. The movements in gas prices have been for a number of reasons including higher electricity demand post-Covid, higher gas demand during periods of low wind and reduced gas supply to Europe from Russia.

The energy crisis presents significant implications for energy affordability, security of supply, rates of inflation and economic recovery trajectories. Coordinated action is ongoing at a European level with a focus on alleviating the impact of current high wholesale gas and electricity prices and to seek to deliver demand reduction for gas and electricity to support security of energy supply. All of the Portfolio Companies are impacted by the increase in energy prices. However, there is a greater impact for the companies operating in the energy sector in particular given their respective mandates and activities in the context of our national energy system.

The financial impacts arising from the energy crisis will be reported on in more detail in next year's Annual Financial Review. The significant impetus to accelerate the transition to a low carbon energy future existed before the onset of the Covid-19 pandemic and has been brought into even sharper focus as a result of the energy crisis. The Portfolio Companies have a key collective role to play in this regard and this role has been further embedded in the Shareholder Expectations Framework with Government approval in July 2022 of the Climate Action Framework for the commercial State sector companies, more detail of which is set out later in this report.

Appendix A sets out the latest annual financial reporting dates for each of the Portfolio Companies. Collectively, the latest reported annual financial year ends span 2021 and, in one case, to March 2022. For simplicity, this report refers to the reporting period covering 2021/22 as 2021. A similar convention is applied for prior and current annual financial periods for reporting purposes.

# The Portfolio at a Glance

The Portfolio consists of commercial State owned companies which operate across a range of sectors and play a critical role in the Irish economy, supported by a workforce of over 38,000 employees.

# **Key Portfolio Assets and Activities**

# **Energy**

Regulated Electricity Networks

229,000km

of electricity lines including the interconnector to the UK

Regulated Gas Networks

c.15,000km

of gas pipelines including the interconnectors to the UK

**Installed Generation Capacity** 

5.9**GW** 

22% of which comprises renewable generation (wind, hydro, biomass, landfill gas)

# Natural Resources

cover of Ireland

**Forests and Peatlands** 

520,000ha

of forests (440,000 hectares)

and peatland (80,000 hectares),

equivalent to c.7.5% of the land



**Regulated Water Networks** 

Water

c.90,000km

of water and wastewater pipelines



Other Water Infrastructure

c.1,800

water and wastewater treatment plants

# Rail & Bus



Passenger Journeys

**Aviation** 

c.9m

passenger journeys facilitated by Dublin, Cork and Shannon airports in 2021 (2020: c.8m, 2019: 37m)



Flights Handled

0.6m

flights handled by air traffic controllers in Ireland in 2021 (2020: 0.5m, 2019: 1.1m)

# Passenger Journeys

c.145m

passenger journeys facilitated across rail and bus services in 2021 (2020: 139m, 2019: 281m)

# **Ports**



**Port Throughput** 

58m tonnes

of throughput handled in Ireland's Tier 1 ports in 2021 (2020: 58m)

# **Postal**



**Mail Volumes** 

c.505m

items of mail collected, delivered and forwarded annually in Ireland in 2021 (2020: c.550m)

# **Key Financial Highlights 2021**

In respect of their latest reported financial year ends<sup>2</sup>, the key financial highlights for the Portfolio Companies on a combined basis<sup>3</sup> are set out below:

Operating Profit €1.2bn (▲60% yoy)

A significant increase in the combined level of operating profit generated by the Portfolio Companies in 2021 relative to 2020 (+60%) but still c. 70% of 2019 levels. However, operating losses continued to be reported in the aviation, public transport and postal sectors which, although reduced relative to 2020 in the case of the aviation and public transport companies, reflects the ongoing Covid-19 related challenges during 2021.

Net Profit after Tax **€0.6bn (▲26x** yoy)

A material recovery in the combined reported net profit after tax of €0.6bn in 2021 relative to 2020 (26x higher than 2020) but still approximately half of 2019 levels reflecting the partial nature of the recovery in 2021. The year-on-year improvement reflects the higher combined operating profitability (+€0.4bn) but also a reduced level of exceptional costs (+€0.3bn) in 2021.

Invested Capital €24.6bn (▲9% yoy)

2020 €22 5hn 2019 €21 7hn

€24.6bn in capital invested in the Portfolio with an improved level of return on invested capital (ROIC) for 2021 of 4.4% (2020: 3.0%) reflecting the higher operating profitability. However, ROIC remains below 2019 levels (6.9%). Gross Capital Expenditure €2.9bn (▲9% yoy)

Capital spend was ahead of both 2020 and 2019, reflecting an increased level of capital intensity and also less disruption to construction activity than arose in 2020 due to the Covid-19 pandemic. Nearly 70% of 2021 investment levels related to the energy sector companies and Irish Water, reflecting the scale of their respective regulated asset investment programmes.

Dividends
€157m (▲15% yoy)

2020: €136m - 2019: €267m

€157m of total dividends paid by the Portfolio Companies in 2021, €151m of that to the Exchequer. This represents an increase of 15% versus 2020. However, it was 41% lower than 2019 dividend payment levels due to significantly lower profitability arising from Covid-19 but also reflecting the absence of special dividend payments in 2021.

- The latest reported annual financial year ends of the Portfolio Companies collectively span 2021 and, in one case, to March 2022. Please refer to the Important Notice in Appendix A for the individual Portfolio Company reporting dates.
- 3 Relative to last year's Annual Financial Review, Vhi is no longer included in the aggregated financial information as the report is confined to entities designated to NewERA under legislation.



# **Climate Action Framework**

Many of the commercial State sector companies are playing an important role in the decarbonisation of Irish society. In July 2022, the Government approved the Climate Action Framework, which will assist each of these companies in demonstrating how they will fulfil their leadership role in climate action.

The commercial State sector consists of the Portfolio Companies along with Greyhound Racing Ireland, Horse Racing Ireland, the Irish National Stud, RTÉ, TG4 and Vhi. Due to the diversity amongst these companies in terms of size, sectors, activities and resources, the degree of materiality varies widely when it comes to climate action. For example, in relation to the Portfolio Companies specifically, the impact of the transition to a low carbon energy future is particularly considerable for those operating in the energy sector given the relative nature and scale of the climate-related risks and opportunities they face.

The Climate Action and Low Carbon Development (Amendment) Act 2021 (the Act) gives legal underpinning to climate action by the public sector. This now requires public bodies, including companies within the commercial State sector, in so far as practicable, to perform their functions in a manner consistent with national climate plans and strategies.

The Climate Action Plan 2021 (CAP 2021), which followed as an implementation of the Act, set out a specific public sector climate action mandate with decarbonisation targets including a greenhouse gas emissions reduction target of 51% by 2030 and to be climate neutral by 2050.

The commercial State sector is not covered by the CAP 2021 public sector climate action mandate and so a separate framework for these companies to address climate action objectives (the Climate Action Framework) was developed by NewERA, in conjunction with the Department of the Environment, Climate and Communications (DECC) and the Department of Public Expenditure and Reform (DPER). It seeks to fulfil a role comparable to that of the public sector climate action mandate and will assist each of these companies in demonstrating how they will fulfil their leadership role in climate action.

The Minister for the Environment, Climate and Communications secured Government approval for the Climate Action Framework in July 2022. The commercial State sector companies have been requested to adopt it and future Shareholder Expectations Framework<sup>4</sup> letters will reflect the commitments under the Climate Action Framework.

NewERA has been requested to monitor the implementation of the commitments set out in the Climate Action Framework and report to DECC on a biannual basis. It is also intended that progress will be reported on an aggregate basis via subsequent iterations of the Annual Financial Review.



# Climate Action Framework Areas of Commitment

- ► Governance of Climate Action Objectives
- Emissions Measurement and Reduction Target
- ► Emissions Valuation in Investment Appraisal
- ► Circular Economy and Green Procurement
- ▶ Climate-Related Disclosures

"The public sector generally has a lead role in Ireland's shift to a carbon neutral economy and society. Many of our commercial semi-State companies are already playing a significant role in the decarbonisation of Irish society. Our ambition with this new Framework is to go further by committing every commercial semi-State company to action — in line with our climate ambitions to achieve a 51% reduction in overall greenhouse gas emissions by 2030 and to set us on a path to reach net-zero emissions by 2050.

The Framework will assist each company to publicly demonstrate its commitment and the steps it will take to deliver on this commitment."

Minister Eamon Ryan, August 2022

The Shareholder Expectations Framework is in use across the commercial State sector and communicates the Government's expectations, as shareholder, to the Chairperson and board of each of the companies by way of letter from the relevant Government Ministers. The Shareholder Expectations Framework generally encompasses four key elements including: sectoral policy objectives, financial performance requirements and reporting requirements.

#### **NewERA Climate Forums**

In the context of the Climate Action Framework commitments, and to facilitate discussion around developments of interest in relation to climate action and sustainability topics more generally, two forums have been held in 2022 by NewERA for the commercial State sector companies. These were in relation to the following areas:

- Circular Economy and Green Procurement:

  the session provided an everyion of key recent
  - the session provided an overview of key recent developments in circular economy policy, circular economy and green procurement practices and some key initiatives in the transport and forestry sectors, with guest speakers from CIÉ, Coillte, DECC and the Environmental Protection Agency (EPA); and
- ▶ Climate-Related Disclosures: the session provided an overview of the disclosure requirements envisaged in the proposed EU Corporate Sustainability Reporting Directive, including those elements that relate to the EU Taxonomy, with a guest speaker from the European Financial Reporting Advisory Group Project Task Force.

There is increasing focus on the climate-related information that companies disclose, as investors, regulators, purchasers and other stakeholders demand access to information that will allow them to take climate-related matters into account in decision making.

There are several existing disclosure frameworks that exist in the EU and internationally. While the Framework does not specify which reporting framework the commercial State sector companies must apply, most will be required in due course to adopt mandatory reporting standards per the EU's expanded scope of reporting requirements in this area under the Corporate Sustainability Reporting Directive (CSRD).

The aim of the CSRD is to ensure that companies are disclosing reliable and comparable sustainability information. Underpinning this is the EU Taxonomy, which is a common classification system that uses science based criteria to assess whether economic activities contribute to environmental objectives.

Ahead of the CSRD implementation and in seeking to employ best practice, it is noted that a number of the Portfolio Companies have indicated support for existing voluntary disclosure frameworks such as the Carbon Disclosure Project (CDP), the Science Based Targets Initiative (SBTi) and/or the Task Force on Climate-related Financial Disclosures (TCFD).

Disclosure Framework	Overview	Relevant Portfolio Companies (to date)
CDP	Framework for corporate environmental disclosure	<ul> <li>An Post</li> <li>CIÉ</li> <li>ESB</li> <li>Gas Networks Ireland</li> </ul>
SBTi	Development of accredited science- based targets to reduce emissions in line with the Paris Agreement goals	<ul><li>An Post</li><li>Coillte</li><li>EirGrid</li><li>ESB</li></ul>
TCFD	Guidance framework to help companies disclose climate related information in a consistent and comparable manner	<ul> <li>Bord na Móna</li> <li>CIÉ</li> <li>Coillte</li> <li>ESB</li> <li>The Shannon Airport Group</li> </ul>

# **Gender Representation**

The process for Ministerial appointments to the boards of State Bodies is governed by the Guidelines on Appointments to State Boards, as published by DPER. This is supplemented by an appendix for appointments to the boards of State bodies that are designated to NewERA (collectively referred to, in the case of the Portfolio Companies, as the Appointment Guidelines).

The appointments process pursuant to the Appointment Guidelines is administered on behalf of DPER by the Public Appointments Service (PAS). Additional arrangements for State board appointments may also be set out in the legislation governing a Portfolio Company, including for those board members who are not appointed via the PAS administered process – for example, worker directors, staff representatives or exofficio appointments (i.e. CEOs).

In September 2020, the Minister of Public Expenditure and Reform published a new annex on 'Gender Balance, Diversity and Inclusion' to supplement the Code of Practice for the Governance of State Bodies (referred to here as the Annex). In the context of the composition of State boards, the Annex reiterates the Government policy target of a minimum of 40% representation of women and men on State boards. In addition, for board appointments it:

- requires that Ministers are to be informed of the gender balance on State boards at the time of making appointments; and
- provides that board terms should be varied to between 3 and 5 years to allow for an acceleration towards better gender balance with any period of renewal subject to a maximum of 8 years in total.

As at the end of October 2022 <sup>5</sup>, the percentage of women on the boards of Portfolio Companies was 32%. This has improved relative to the 31 October 2021 position of 28% but still remains below the overall 40%

minimum target and only 3 of the 14 boards have female representation of 40% or more, which is disappointing. Achieving the overall 40% minimum target remains a key focus and NewERA will continue to work with the relevant stakeholders to seek to deliver this.

In addition to these statistics, the following is noted in terms of board composition as at 31 October 2022:

- In some cases, the boards have worker directors or employee representatives. These individuals are appointed/nominated to the board outside of the PAS appointments process. This grouping has a low level of female representation at 10% (31 October 2021: 12%).
- The Chair of each board is appointed via the PAS appointments process and the level of female representation within this grouping is 29% with 4 of the Portfolio Companies having a female Chair (31 October 2021: 31%).
- The remaining non-executive directors are the largest grouping across the board and are appointed via the PAS process. This grouping (which excludes Chairs and worker directors/employee representatives for analysis purposes) has the highest level of female representation at 43% (31 October 2021: 38%).
- ▶ Finally, in terms of executive board members, three of the Portfolio Companies currently have a female CEO, one in an interim capacity, equating to 21% female representation for the CEO grouping (31 October 2021: 14%). The CEO is appointed outside of the PAS appointments process.

Appendix C also sets out statistics for the executive management teams (EMT) of the Portfolio Companies. The overall level of representation for women within the EMT group (excluding the CEO) is 30% (31 October 2021: 24%).



# **Key Figures at a Glance**

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Government target for representation of women and men on State boards 32%

The percentage of women on the boards of the Portfolio Companies 3/14

The number of Portfolio Company boards which have female representation of 40% or more 29%

The percentage of women within the Chairperson category

As at 31 October 2022

The percentage of women within the Non-Executive Director category (excl. Chairs and worker directors/employee representatives)

The gender representation statistics presented in this section are as at 31 October 2022. For a number of the Portfolio Company boards there are appointment processes currently ongoing which may impact the gender representation statistics going forward. Historical data has been restated to exclude Vhi as it is not included in this Annual Financial Review.

# Portfolio Financial Performance



# **Portfolio Financial Performance**

The Portfolio comprises companies which are involved across a range of sectors as follows:

# **Aviation**



Ownership and operation of the three largest airports in Ireland – Dublin, Cork and Shannon – and national and international airport retailing. Provision of air traffic control and air navigation services in Irish-controlled airspace and around Dublin, Cork and Shannon airports.

# **Energy**



Ownership and operation of the electricity and gas networks on the island of Ireland including interconnection with other markets, the operation of the Single Electricity Market (SEM), conventional and renewable power generation and the supply of electricity and gas in both the SEM and Britain.

# Natural Resources



Management of Ireland's forestry estate (over 440,000 hectares) and peatlands (80,000 hectares) along with associated activities.

# **Postal**



Operation of Ireland's national postal services and responsibility for the national retail network of post offices.

# Ports



Ownership of four of Ireland's ports (Dublin, Cork, Shannon Foynes and Waterford Port).

# **Rail and Bus**



Operation of rail and bus public transport and rail freight services throughout Ireland.

# Water



Delivery of public water and wastewater services to households and businesses in Ireland.

# **Financial Performance Overview 2021**

Key Financial Information	5yr avg.	2021	2020	2019	2021 vs 2020	2021 vs 2019
Income Statement (€'m)						
Turnover	10,032	11,318	9,269	10,342	+2,049	+976
EBITDA (adjusted)	2,552	2,611	2,125	2,976	+486	-365
EBIT (adjusted)	1,232	1,187	744	1,670	+443	-483
PAT (adjusted))	811	748	439	1,223	+309	-475
PAT (reported)	590	567	22	1,115	+545	-548
Balance Sheet (€'m)						
Tangible Fixed Assets	24,861	27,156	25,845	25,185	+1,311	+1,971
Gross Debt	(9,067)	(9,764)	(9,523)	(8,579)	+241	+1,185
Net (Debt)/Cash	(6,849)	(6,672)	(6,957)	(6,718)	-285	-46
Pension (Liabilities)/Assets	(1,383)	(663)	(1,496)	(1,669)	-833	-1,006
Employee Related Liabilities	(153)	(142)	(189)	(168)	-47	-26
Net Assets	11,250	13,577	11,926	11,696	+1,651	+1,881
Invested Capital	21,997	24,632	22,529	21,691	+2,103	+2,941
Cashflows (€'m)						
Net Cashflow from Operations	2,235	2,788	1,932	2,317	+856	+471
Gross Capital Expenditure	(2,511)	(2,948)	(2,700)	(2,642)	+248	+306
Net (Acquisitions)/Disposals Spend	(38)	(29)	8	(209)	+37	-180
Dividends Paid (normal)	(167)	(157)	(112)	(170)	+45	-13
Dividends Paid (special)	(65)	-	(24)	(97)	-24	-97
Dividends Paid (total)	(232)	(157)	(136)	(267)	+21	-110
Employees						
Employee Numbers	38,263	38,086	38,192	38,648	-106	-562

Key Metrics	5yr avg.	2021	2020	2019	2021 vs 2020	2021 vs 2019
<b>Profitability And Efficiency</b>						
Turnover Growth	4.7%	22.1%	(10.4)%	4.4%	+32.5%	+17.7%
EBITDA Margin	25.5%	23.1%	22.9%	28.8%	+0.2%	-5.7%
Operating Profit Margin (EBIT adjusted)	12.3%	10.5%	8.0%	16.2%	+2.5%	-5.7%
PAT Margin	8.1%	6.6%	4.7%	11.8%	+1.9%	-5.2%
Return on Invested Capital (ROIC)	5.1%	4.4%	3.0%	6.9%	+1.4%	-2.5%
LIQUIDITY						
Current Ratio (times)	1.2x	1.5x	1.6x	1.3x	-0.1x	+0.2x
Acid Test Ratio (times)	1.1x	1.4x	1.5x	1.2x	-0.1x	+0.2x
LEVERAGE AND SOLVENCY						
Net Gearing (see note iv)	38%	33%	37%	36%	-4%	-4%
Net Gearing (see note v)	43%	36%	42%	42%	-6%	-6%
Net Debt / EBITDA (times)	2.7x	2.6x	3.3x	2.3x	-0.7x	+0.3x
EBITA Interest Cover (times)	10.0x	12.0x	9.4x	12.0x	+2.6x	-0.0x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	23%	36%	9%	20%	+27%	+16%
Earnings (adjusted) growth	11%	70%	(64)%	41%	+134%	+29%

# Notes:

- Relative to last year's Annual Financial Review, Vhi is not included in the aggregated financial information as the report is confined to entities designated to NewERA under legislation.
- ii. The above measures are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each entity and how they are calculated may differ. Definitions of NewERA's standardised performance measures are set out in Appendix D.
- iii. Combined five-year historical financial information is provided in Appendix E.
- iv. Net gearing excluding pension and employee related liabilities.
- v. Net gearing including pension and employee related liabilities.

# **TURNOVER**



# **GROSS CAPITAL EXPENDITURE**

(cash basis)



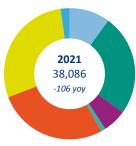
# **INVESTED CAPITAL**



# **EXCHEQUER DIVIDENDS**



# **EMPLOYEE NUMBERS**



Water

Rail and Bus

Postal

AviationEnergyNatural ResourcesPorts

The Portfolio's combined operating profit levels improved in 2021 relative to 2020 with a combined return on invested capital of 4.4%, although still lower than pre-pandemic levels. The year-on-year position reflects both profitability growth across the natural resources, water and energy sectors and reduced losses in the aviation sector due to the start of a recovery in air traffic and passenger volumes during 2021. Since the beginning of 2022, the recovery in passenger and air traffic levels has accelerated. However, the commodity price volatility observed in the latter half of 2021 has been exacerbated by the war in Ukraine in addition to the associated energy supply concerns. This has implications for all of the companies but particularly those operating in the energy sector. These factors, together with the general inflationary environment, are expected to have a significant impact on the 2022 results of the Portfolio.

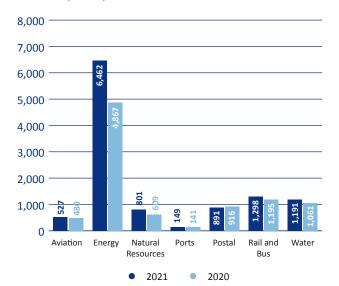
Combined turnover levels recovered in 2021 (+€2bn/22% compared to 2020) with growth across almost all sectors, including for the aviation and rail and bus sectors reflecting the partial recovery in air traffic and passenger volumes. However, the majority of the increase in 2021 related to higher reported revenues for ESB, reflecting commodity price volatility but also higher regulated revenues. The level of growth relative to 2019 was partly offset by lower aviation sector revenues in particular, which remain materially below 2019 levels (-56%).

- One third of combined turnover in 2021 relates to the regulated activities of the Portfolio Companies, being the electricity, gas and water networks, the operation of the SEM and certain aeronautical revenues.
- ➤ The majority of combined turnover continues to be generated in Ireland (85%) with the balance derived from the UK (13%) and international markets (2%).
- ▶ In interpreting the financial performance, it should be noted that two of the Portfolio Companies, IW and CIÉ, are in receipt of State funding (75% and 65% respectively of turnover in 2021) which accounted for c.15% of combined turnover (2020: c.16%).
- ▶ Further information is set out in the Company Overviews but it is noted in particular that State revenue funding for CIÉ again increased year-on-year (2020: 54% of turnover, 2019: 24%) with increased funding in response to pandemic-related fare shortfalls on PSO services and supports for other services.

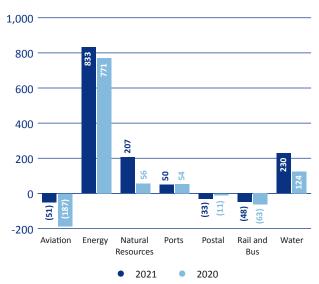
Combined operating profit was materially higher in 2021 compared to 2020 (+60%) with a combined ROIC of 4.4% for 2021 (2020: 3.0%). However, both measures remained below 2019 levels reflecting the partial nature of the recovery.

- Each of daa (-€92m), CIÉ (-€48m) and An Post (-€33m) reported operating losses in 2021, reflecting the continued challenging trading conditions in those sectors due to Covid-19, although the operating loss positions in daa and CIÉ were lower than in 2020. Almost all of the other companies generated higher levels of operating profit year-on-year.
- A number of the companies utilised Covid-19 related Government funding supports in 2021, primarily wage subsidy schemes (Employment Wage Subsidy Scheme supports totalling €151m; 2020: €98m (including Temporary Wage Subsidy Scheme supports)).
- Reflecting the improved operating profitability but also a lower level of exceptional costs, combined reported net profit after tax increased from €22m for 2020 to €567m for 2021. On an adjusted growth basis (excluding exceptionals), combined reported net profit after tax increased by 70% year-on-year.

# Turnover (EURm)



# **Operating Profit (EBIT adjusted) (EURm)**



The aggregate level of capital investment by the Portfolio Companies increased by 9% in 2021 compared to 2020, mainly due to increased spend by ESB and CIÉ, and was ahead of the five year historical average. The Portfolio Companies continue to contribute to the delivery of investment in a number of strategic priority areas as set out in the National Development Plan 2021-2030. The combined gross debt level of the Portfolio increased overall in 2021, reflecting ongoing investment but also an increased funding requirement in the aviation sector as a result of the continued impact of Covid-19 during the year. Dividend payments in 2021 totalled €157m, €151m of that to the Exchequer. Total dividend payments were €21m higher than 2020 but remained significantly lower than previous periods (five year average: €232m) due in part to lower profitability arising from the challenges from Covid-19 but also noting that no special dividends arose in 2021.

The regulated energy and water network asset investment programmes are significant drivers of overall investment levels with investment over the past five years averaging €2.5bn annually.

- The Portfolio Companies undertake significant annual capital investment with €2.9bn spend in 2021, most of that in the State.
- The aggregate level of gross spend was c.9% higher in 2021 relative to 2020 and exceeded the five-year historical average by c.17%, reflecting an increased level of capital intensity and also less disruption to construction activity than arose in 2020 due to the Covid-19 pandemic.
- Nearly 70% of total spend in 2021 related to the energy sector companies (43%, predominantly ESB) and IW (26%) reflecting the scale of their individual regulated asset capital investment programmes but also, for ESB, the wider energy transition.

Combined gross debt levels increased in 2021 compared to 2020 (+€0.2bn) reflecting ongoing capital investment but also additional liquidity requirements in the aviation sector given that passenger and air traffic levels, remained materially below pre-pandemic levels.

- Although aggregate gross debt was higher year-on-year, the combined net debt position reduced by €0.5bn due to higher levels of cash held by the Portfolio Companies. Some of this relates to increased net collateral cash held by ESB of €0.3bn in respect of exchange traded gas, carbon and power contracts, which are inherently correlated with commodity price volatility, but also improved levels of operating cash in some cases along with additional liquidity from new borrowings in the case of the aviation sector companies.
- ▶ Reflecting the movement in combined net debt, the aggregate net gearing level reduced to 33% (2020: 37%), with reduced net debt exceeding net asset growth. Net debt to EBITDA fell from 3.3x to 2.6x and EBITDA interest cover improved from 9.4x to 12.0x.
- Combined Portfolio net assets increased by €1.7bn in 2021 with net asset growth across all sectors excluding aviation. The main drivers of the increase were: (i) IW (+€0.6bn) reflecting ongoing investment;

- (ii) the energy sector (+€0.4bn) and natural resources sector (+€0.2bn) companies, reflecting ongoing investment and reduced net debt; and (iii) An Post (+€0.3bn) along with a reduced net liability position for CIÉ (+€0.2bn), in both cases mainly relating to pension movements.
- The aggregate pension liability remains a key area of focus from a shareholder perspective with Portfolio Companies being encouraged to maintain focus on putting appropriate and sustainable funding and risk management plans in place to meet future pension scheme liabilities and Pensions Authority requirements. The year on year reduction in the combined net pension liability (2021: €0.7bn, 2020: €1.5bn) is due mainly to an increase in An Post's net pension asset (+€0.4bn) reflecting a change in actuarial assumptions, primarily a higher return on assets, along with a reduction in the CIÉ (-€0.1bn) and ESB (-€0.1bn) net pension liabilities.

The aggregate dividend payout level in 2021 was 15% higher than 2020 levels (€157m in total dividends versus €136m), but 41% lower than 2019 levels (total dividends of €267m). This was due in part to significantly lower profitability arising from Covid-19 but also reflecting the absence of special dividend payments in 2021.

- Over the past five years (2017 to 2021 inclusive), c.€1.1bn in dividend payments have been made to the Exchequer, with Ervia and ESB being the largest individual contributors (€0.5bn and €0.3bn respectively).
- The dividend payout rate was materially higher in 2021 (36% versus 9% in 2020), reflecting a higher level of normal dividend payments but also the reduced level of adjusted PAT in 2020 as a result of Covid-19.
- Special dividends are once off or exceptional items arising, for example, from proceeds relating to a disposal of assets. In recent years, special dividends have been paid arising from the State asset disposal programme, which was pursued as a commitment under the EU/IMF Programme, but the final distribution in relation to that programme was paid in 2020.



**Established:** 1984 State Ownership: 100% **Primary Sector:** Postal **Employee Numbers (2021):** 10,421 Chair: Carol Bolger CEO: David McRedmond

# **Key Activities**

- Mails and Parcels: An Post is responsible for the operation of Ireland's national postal services. This includes the universal postal service, which involves the provision of an every working day mail service to every household/premises in the State, as well as servicing growth in e-commerce.
- **Retail:** Responsible for the national retail network of post offices, including the provision of social welfare and savings services and other Financial Services products.
- Other: Also manages a number of commercial enterprises as well as an investment in the National Lottery Operator (Premier Lotteries Ireland).

# **Board Composition (Oct-22)**

- Total No. of Directors: 15 (max. 15)
- Chair: 1
- Other Non-Executive Directors: 7
- CEO: 1
- Employee Directors: 5
- Postmaster Director: 1



Male

**70%** 

Male

Female

Female

#### Key Financial Information (Year ended 31 December, IFRS)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	887	891	916	-25
EBITDA (adjusted)	43	16	33	-17
EBIT (adjusted)	8	(33)	(11)	-22
PAT (adjusted)	12	(28)	3	-31
PAT (reported)	15	(38)	(18)	-20
Tangible Fixed Assets	280	308	316	-8
Net (Debt)/Cash	(10)	(101)	(57)	+44
Pension (Liabilities)/Assets	89	486	89	+397
Net Assets/(Liabilities)	341	680	368	+312
Gross Capital Expenditure	(26)	(30)	(41)	-11
Dividends Paid (normal)	-	-	-	-
Key Indicators				
EBIT Margin	0.9%	(3.8%)	(1.2%)	-2.6%
Return on Invested Capital	3.1%	(3.6%)	(1.4%)	-2.2%
Net Gearing	5.3%	12.9%	13.4%	-0.5%
Dividend Payout	-	-	-	-

#### **Financial Performance 2021**

The Company continued to experience challenges in 2021 arising from Covid-19 with a material impact on financial performance (reported by An Post of €50m given higher costs and reduced retail network transactions) along with Brexit and customs related challenges. Turnover was €25m lower (-3%) than 2020 due to reduced letter and parcel revenues (-€12m) and election/ referenda income during the prior period which did not repeat (-€20m) partly offset by higher retail (+€3m) and UK distribution (+€4m) revenues in 2021. Although there was a reduction in operating costs (-€9m excl. depreciation) and lower exceptional costs (-€16m), which include Covid-19 and transformation costs, the net loss after tax was €38m for 2021 (2020: loss of €18m). Net assets increased by €312m in 2021 largely relating to actuarial gains recorded in respect of the group's pension asset, partly offset by an increase in net debt levels. No dividend was paid in 2021 (2020: nil).

# Bord na Móna Established:

1946 **State Holding:** 95% Primary Sectors: Natural Resources, Energy **Employee Numbers (2022):** Chair: Geoffrey Meagher

# **Key Activities**

- Renewable Energy: Develops and operates the Group's portfolio of renewable energy assets.
- Land and Habitats: Management of the 80,000 hectare landbank, delivery of the peatlands climate action scheme and the operation and development of BnM's public amenities.
- Resource Recovery: Provision of domestic and commercial nonhazardous waste collection, sector specific recycling services and operation of the Drehid landfill facility.
- New Business: Delivery of climate solutions through partnerships with third parties and using Group assets to enable other sustainable enterprises.
- Consumer Products: Completing the transition away from peat through the development of sustainable horticulture and fuel products.

# **Board Composition (Oct-22)**

- Total No. of Directors: 10 (max. 12)
- Chair: 1
- Other Non-Executive Directors: 5
- CFO: 1
- Worker Directors: 3



# **Key Financial Information** (Year ended March, IFRS)

Key Financial Information (€'m)	5yr Avg	2022	2021	γογ Δ
Turnover	366	378	324	+54
EBITDA (adjusted)	78	112	58	+54
EBIT (adjusted)	44	79	27	+52
PAT (adjusted)	40	76	22	+54
PAT (reported)	4	76	22	+54
Tangible Fixed Assets	241	255	223	+32
Net (Debt)/Cash	(11)	48	4	+44
Pension (Liabilities)/Assets	4	24	8	+16
Net Assets/(Liabilities)	192	256	169	+87
Gross Capital Expenditure	(39)	(68)	(29)	+39
Dividends Paid (normal)	(2)	(7)	-	+7
Key Indicators				
EBIT Margin	12.0%	20.9%	8.4%	+12.5%
Return on Invested Capital	10.0%	18.1%	7.6%	+10.5%
Net Gearing	8.6%	-	-	-
Dividend Payout	8.4%	30.0%	-	+30.0%

### **Financial Performance 2022**

Significant improvement in financial performance in 2021 with higher turnover of €54m year-on-year (+17%) due mainly to BnM's renewable energy and resource recovery activities, partly offset by a decline in turnover from its other operating divisions. The reported revenue mix is reflective of BnM's transition away from peat harvesting activities noting that grant income of €16m was received in 2021 in relation to the Peatlands Climate Action Scheme, with 8,000 hectares of peatlands rehabilitated during the year. With operating and financing costs broadly in line with 2020, the increase in turnover is the main driver of higher reported PAT. Capital investment in 2021 was ahead of 2020 with the construction of two wind farm projects ongoing. BnM resumed dividend payments in 2021 with a €7m payment (2020: nil).



1945 **Established: State Ownership:** 100% **Primary Sector:** Public Transport (Rail and Bus) **Employee Numbers (2021):** 10.825 Chair: Fiona Ross CEO (CIÉ Group): Lorcan O'Connor CEO (BÁC) (Interim): Andrea Keane CEO (BÉ): Stephen Kent CEO (IÉ): Jim Meade

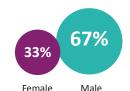
# **Key Activities**

- CIÉ is the main provider of bus and rail public transport services and rail freight services in Ireland through its operating subsidiaries: Bus Átha Cliath (BÁC), Bus Éireann (BÉ), and Iarnród Éireann (IÉ).
- ▶ This includes both commercial services and services which are subvented by the State via Public Service Obligation (PSO) payments and the operation of a schools transport service, which BÉ administers for the Department of Education.
- CIÉ also owns CIÉ Tours International which promotes and sells Irish coach tour holidays.

Note: The CIÉ Group parent company and its operating subsidiaries are all individually designated to NewERA. The financial information presented here is the consolidated CIÉ Group financial information.

# **Board Composition (Oct-22)**

- ➤ Total No. of Directors (CIÉ Group): 12 (max. 12)
- ► Chair: 1
- ▶ Other Non-Executive Directors: 7
- ▶ Worker Directors: 4



# **Key Financial Information** (Year ended 31 December, FRS102)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	1,281	1,298	1,195	+103
EBITDA (adjusted)	7	(27)	(38)	+11
EBIT (adjusted)	(27)	(48)	(63)	+15
PAT (adjusted	(40)	(56)	(71)	+15
PAT (reported)	(42)	(53)	(67)	+14
Tangible Fixed Assets	2,714	2,579	2,608	-29
Net (Debt)/Cash	206	236	250	-14
Pension (Liabilities)/Assets	(786)	(846)	(975)	-129
Net Assets/(Liabilities)	(640)	(691)	(844)	-153
Gross Capital Expenditure	(220)	(409)	(216)	+193
Dividends Paid (normal)	-	-	-	-
Key Indicators				
EBIT Margin	(2.2%)	(3.7%)	(5.3%)	+1.6%
Return on Invested Capital	(5.1%)	(10.1%)	(13.0%)	+2.9%
Net Gearing	-	-	-	-
Dividend Payout	-	-	-	-

## **Financial Performance 2021**

Financial performance improved in 2021, noting total passenger journeys increased year-on-year but remained significantly below 2019 levels (2021: 145m, 2020: 139m, 2019: 281m). The material shortfall in fare revenue was offset by increased levels of Exchequer revenue funding (2021: €849m or 65% of total revenue, 2020: €639m or 54% of total revenue). These comprised PSO receipts, funding supports for BÉ's Expressway business under a Commercial Bus Operator Direct Award Contract, other Exchequer funding and wage subsidy scheme supports. The Group reported a reduced net loss after tax position of €53m for 2021 (2020: €67m loss). CIÉ's balance sheet remains in a net liability position owing to its significant pension deficit, which decreased by €129m to €846m in 2021. Reflecting CIÉ's funding structure, no dividends are paid to the Exchequer.



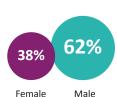
Established: 1989
State Holding: 100%
Primary Sector: Natural Resources
Employee Numbers (2021): 840
Chair: Bernie Gray
CEO: Imelda Hurley

# **Key Activities**

- Coillte Forest: Manages the core forestry business including planting, growing, protecting and harvesting of forests, the provision of a range of wood products and recreational amenities including 12 forest parks, nearly 300 recreation sites and over 3,000km of hiking trails.
- ▶ Medite SmartPly: Manufactures sustainable timber construction panel products, exporting to over 30 countries worldwide.
- ▶ Land Solutions: Provides commercial land solutions which protect the core productive forest estate and support the delivery of Government policies in areas such as renewable energy and infrastructure. Also includes the Coillte Nature business unit, which focuses on not-for-profit activities delivering new native woodlands and undertaking nature restoration projects at scale.

## **Board Composition (Oct-22)**

- ► Total No. of Directors: 8 (max. 9)
- ► Chair: 1
- ▶ Other Non-Executive Directors: 5
- ► CEO: 1
- ► Worker Directors: 1



## **Key Financial Information** (Year ended 31 December, FRS102)

<b>Key Financial Information (€'m)</b>	5yr Avg	2021	2020	γογ Δ
Turnover	333	422	285	+137
EBITDA (adjusted)	103	159	65	+94
EBIT (adjusted)	69	128	29	+99
PAT (adjusted	61	110	23	+87
PAT (reported)	79	117	22	+95
Tangible Fixed Assets	1,475	1,548	1,500	+48
Net (Debt)/Cash	(32)	31	(28)	+59
Pension (Liabilities)/Assets	(47)	(12)	(44)	-32
Net Assets/(Liabilities)	1,325	1,486	1,365	+121
Gross Capital Expenditure	(66)	(82)	(73)	+9
Dividends Paid (normal)	(13)	(25)	(2)	+23
Key Indicators				
EBIT Margin	19.9%	30.3%	10.2%	+20.1%
Return on Invested Capital	4.1%	7.4%	1.7%	+5.7%
Net Gearing	3.0%	-	2.0%	-2.0%
Dividend Payout	36.5%	109.1%	3.9%	+105.2%

# **Financial Performance 2021**

Significant improvement in financial performance in 2021 with record turnover ( $\leqslant$ 422m) and operating profit levels (EBITDA  $\leqslant$ 159m). This was due primarily to strong global demand and pricing for sawnwood and other timber related products. The strong trading performance, coupled with the sale of a stake in Coillte's windfarm development portfolio during the year and a net of ongoing capital investment and dividend payments, resulted in net cash position of  $\leqslant$ 31m in 2021 (2020: net debt of  $\leqslant$ 28m). Reflecting the strong financial results, an interim dividend of  $\leqslant$ 25m was paid in 2021 (2020:  $\leqslant$ 2m).



**Established:** 1937 **State Ownership:** 100% **Primary Sector:** Aviation (Airports) **Employee Numbers (2021):** 2,812 **Chair:** Basil Geoghegan CEO (Interim)<sup>6</sup>: Catherine Gubbins

# **Key Activities**

- daa's principal activities are airport development, operation and management, international airport retailing and international airport
- daa owns and operates Dublin and Cork airports and has airport retail activities in Ireland and a number of international locations.
- daa also has investments in three European airports (Düsseldorf Airport in Germany, Larnaka Airport and Pafos Airport, both in Cyprus) and provides airport management, operations and maintenance consultancy services to clients in Australia, the Philippines, Saudi Arabia and the UK.

# **Board Composition** (Oct-22)

- Total No. of Directors: 13 (max. 13)
- Chair: 1
- Other Non-Executive Directors: 7
- CEO: 1
- Worker Directors: 4



# **Key Financial Information** (Year ended 31 December, FRS102)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	660	324	291	+33
EBITDA (adjusted)	171	25	(33)	+58
EBIT (adjusted)	55	(92)	(193)	+101
PAT (adjusted	22	(108)	(188)	+80
PAT (reported)	12	(103)	(284)	+181
Tangible Fixed Assets	1,839	2,018	1,960	+58
Net (Debt)/Cash	(606)	(835)	(783)	+52
Pension (Liabilities)/Assets	(4)	(2)	(4)	-2
Net Assets/(Liabilities)	1,324	1,148	1,243	-95
Gross Capital Expenditure	(199)	(199)	(270)	-71
Dividends Paid (total)	(23)	(1)	(1)	+0
Key Indicators				
EBIT Margin	(6.4%)	(28.3%)	(66.3%)	+38.0%
Return on Invested Capital	2.3%	(3.2%)	(7.3%)	+4.1%
Net Gearing	31.2%	42.1%	38.6%	+3.5%
Dividend Payout (State)	17.6%	-	-	-

#### **Financial Performance 2021**

daa continued to experience difficult trading conditions in 2021 as a result of Covid-19 and, while turnover increased and losses reduced compared to 2020, financial performance remained significantly below historic levels. Turnover of €324m in 2021 reflected an increase of 12% compared to 2020 but was 65% lower than 2019. daa continued to report operating and net losses in 2021 although at lower levels than 2020, reflecting operating cost savings and Government wage and other financial supports received in the period. Capital expenditure of  $\ensuremath{\mathfrak{e}}$ 199m in 2021 was lower than 2020 but in line with the five year historical average. daa sought to strengthen liquidity through additional debt funding (€150m bond issuance) and its net debt of €835m at end 2021 is nearly double the level at end 2019 (€430m). No dividend was paid to the Exchequer in 2021 (2020: nil).7

# COMHLACHT CHALAFORT Established: **DUBLIN PORT COMPANY**

1997 **State Holding:** 100% **Primary Sector: Ports Employee Numbers (2021):** 156 Chair: Jerry Grant

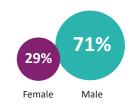
CEO: Barry O'Connell

### **Key Activities**

- Dublin Port is classified as a Tier 1 port by the National Ports Policy 2013 and as a core/comprehensive port in the EU Trans-European Transport Network (TEN-T).
- Key revenue generating functions are the setting and collection of port dues and the leasing of port lands and infrastructure to private sector operators.

# **Board Composition** (Oct-22)

- Total No. of Directors: 7 (max. 8)
- Chair: 1
- Other Non-Executive Directors: 4
- CEO: 1
- Worker Directors: 1



## **Key Financial Information** (Year ended 31 December, FRS102)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	88	86	87	-1
EBITDA (adjusted)	53	49	54	-5
EBIT (adjusted)	43	35	44	-9
PAT (adjusted	36	26	34	-8
PAT (reported)	36	26	34	-8
Tangible Fixed Assets	552	671	613	+58
Net (Debt)/Cash	(110)	(164)	(133)	+31
Pension (Liabilities)/Assets	52	53	56	-3
Net Assets/(Liabilities)	473	536	512	+24
Gross Capital Expenditure	(75)	(75)	(57)	+18
Dividends Paid (normal)	(6)	-	-	-
Key Indicators				
EBIT Margin	49.3%	41.3%	51.0%	-9.7%
Return on Invested Capital	7.6%	4.6%	6.6%	-2.0%
Net Gearing	18.1%	23.5%	20.7%	+2.8%
Dividend Payout	14.0%	-	-	-

# **Financial Performance 2021**

Financial performance in 2021 was lower than 2020 with reduced operating profit and lower PAT. There was a marginal reduction in turnover levels at the port during 2021 due to a 5.2% reduction in throughput volumes primarily due to the effects of Brexit. However, operating profit was €9m lower year-on year (-20%) as operating costs increased mainly due to the resumption of commercial rates and higher depreciation costs. The latter reflects DPC's higher fixed asset base and the ongoing capital investment programme at the port. No dividend was paid in 2021 (2020: nil).

- In November 2022, Kenny Jacobs was appointed as the CEO of daa and will take up the role in January 2023.
- Dividends paid represent dividend payments to non-controlling interests.



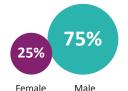
Established: 2006
State Ownership: 100%
Primary Sector: Energy
Employee Numbers (2021): 545
Chair: Brendan Tuohy
CEO: Mark Foley

# **Key Activities**

- ▶ Transmission System Operator (TSO): EirGrid TSO develops, manages and operates the high voltage electricity transmission grid in Ireland (regulated by the Commission for the Regulation of Utilities (CRU)). SONI TSO develops, manages and operates the high voltage electricity transmission grid in Northern Ireland (regulated by the Utility Regulator Northern Ireland (URegNI)).
- Electricity Market Operator: Operates the wholesale single electricity market across Ireland and Northern Ireland (regulated by the SEM Committee). Provides day-ahead auction and intraday markets for the SEM.
- ▶ Electricity Interconnection: Owns and operates the high voltage electricity link between Ireland and Wales, the East-West interconnector (EWIC). Management of the license of commercial fibre optic cable built as part of the EWIC project. Development of further interconnection opportunities and enabling interconnections developed/operated by third parties.

# **Board Composition (Oct-22)**

- ► Total No. of Directors: 8 (max. 10)
- ► Chair: 1
- ▶ Other Non-Executive Directors: 5
- ► CEO: 1
- ► Employee Representatives: 1



# **Key Financial Information** (Year ended 30 September, IFRS)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	702	737	688	+49
EBITDA (adjusted)	98	104	77	+27
EBIT (adjusted)	61	57	32	+25
PAT (adjusted)	37	36	12	+24
PAT (reported)	37	36	12	+24
Tangible Fixed Assets	543	533	534	-1
Net (Debt)/Cash	(81)	88	(16)	+104
Pension (Liabilities)/Assets	(38)	(43)	(43)	-
Net Assets/(Liabilities)	292	372	323	+49
Gross Capital Expenditure	(34)	(34)	(20)	+14
Dividends Paid (normal)	(4)	(4)	(4)	-
Key Indicators				
EBIT Margin	8.5%	7.8%	4.7%	+3.1%
Return on Invested Capital	7.1%	5.8%	3.1%	+2.7%
Net Gearing	24.1%	-	4.9%	-4.9%
Dividend Payout	58.7%	33.5%	5.0%	+28.5%

# **Financial Performance 2021**

Financial performance for 2021 was higher than 2020 with higher turnover and profitability levels reported. However, EirGrid's reported profits and returns can vary from year to year due to over or under recoveries of regulatory income. In addition, a significant proportion of its revenue is pass through in nature as it comprises regulatory tariffs collected on behalf of the transmission asset owners. Excluding such regulatory adjustments, underlying profit before tax was €22m in 2021, c.€4m or 21% higher than 2020. Dividends of €4m were paid in 2021 (2020: €4m).



Established: 1976
State Holding: 100%
Primary Sector: Energy
Employee Numbers (2021): 1,112
Chair (Ervia): Tony Keohane
CEO (Ervia/GNI): Cathal Marley

### **Key Activities**

- Ervia: Parent company of GNI and IW (IW financials are not consolidated with Ervia Group financials and therefore are shown separately in this report).
- GNI: Ownership, operation and maintenance of the natural gas transmission and distribution network in Ireland. Regulated by the CRU.
- ▶ **GNI (UK):** Operation and part-ownership of the gas interconnector pipelines between Ireland and Scotland and ownership and operation of two gas transmission pipelines in Northern Ireland. Regulated by the CRU, URegNI and Ofgem.
- Aurora Telecom: Ownership and operation of a dark fibre telecoms network.

# **Board Composition** (Oct-22)

- ► Total No. of Directors: 11 (max. 11)
- ► Chair: 1
- ► Other Non-Executive Directors: 9
- ► CEO: 1
- ► Worker Directors: n/a



## **Key Financial Information** (Year ended 31 December, IFRS)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	471	476	447	+29
EBITDA (adjusted)	274	238	258	-20
EBIT (adjusted)	139	97	123	-26
PAT (adjusted)	100	66	86	-20
PAT (reported)	101	65	88	-23
Tangible Fixed Assets	2,496	2,470	2,469	+1
Net (Debt)/Cash	(1,037)	(948)	(1,024)	-76
Pension (Liabilities)/Assets	(133)	(109)	(183)	-74
Net Assets/(Liabilities)	1,014	1,067	963	+104
Gross Capital Expenditure	(128)	(135)	(116)	+19
Dividends Paid (normal)	(48)	(38)	(47)	-9
Key Indicators				
EBIT Margin	29.5%	20.4%	27.4%	-7.0%
Return on Invested Capital	5.0%	3.6%	4.4%	-0.8%
Net Gearing	50.5%	47.1%	51.5%	-4.4%
Dividend Payout	42.6%	44.8%	45.0%	-0.2%

# **Financial Performance 2021**

Financial performance in 2021 was lower than in 2020 with lower operating profits and PAT reported, despite higher turnover. The increase in turnover was primarily due to a combination of higher demand for capacity and higher transportation tariffs in GNI's regulated businesses. This was outstripped by increased operating costs in the year, most significantly as a result of higher gas commodity costs to run compressor stations and general inflationary cost pressures. Dividends of €38m were paid in 2021 (2020: €47m) and there were no special dividends paid in the year (2020: €24m).





Established: 2013
State Ownership: 100%
Primary Sector: Water
Employee Numbers (2021): 823
Chair (Ervia): Tony Keohane
CEO (Ervia/GNI): Cathal Marley
CEO (Irish Water): Niall Gleeson

# **Key Activities**

▶ Ireland's national water utility with responsibility for the delivery of all public water services to households and businesses including the supply of drinking water and the collection, treatment and disposal of wastewater. Irish Water is regulated by CRU and it is also subject to the requirements of the EPA.

Note: Irish Water is a subsidiary of Ervia under the Companies Act 2014 but, due to its share ownership structure, it is not a subsidiary of Ervia for accounting purposes. From a governance perspective, the Ervia Board and Executive Team are responsible for the performance of Irish Water.

# **Board Composition (Ervia) (Oct-22)**

- ► Total No. of Directors: 11 (max. 11)
- Chair: 1
- ▶ Other Non-Executive Directors (Ervia): 9
- ► CEO: 1
- ► Worker Directors: n/a



# Key Financial Information (Year ended 31 December, IFRS)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	1,074	1,191	1,061	+130
EBITDA (adjusted)	313	382	262	+120
EBIT (adjusted)	202	230	124	+106
PAT (adjusted)	173	199	107	+92
PAT (reported)	173	199	107	+92
Tangible Fixed Assets	3,438	4,885	4,160	+725
Net (Debt)/Cash	(440)	(226)	(191)	+35
Pension (Liabilities)/Assets	(34)	(37)	(43)	-6
Net Assets/(Liabilities)	2,527	3,989	3,399	+590
Gross Capital Expenditure	(715)	(777)	(850)	-73
Dividends Paid (normal)	-	-	-	-

Note: Key metrics not presented for IW given its funding model.

#### **Financial Performance 2021**

Financial performance in 2021 was ahead of 2020, due to higher revenue. The increased revenue was a result of increases in Government subvention revenue, non-domestic revenue and new connections income. IW's turnover and profit reflect the regulated utility model, which allows it to generate a return on its capital investment incurred to date. Given IW's stage of development and funding model, any surplus generated is reinvested in water and wastewater infrastructure noting the continued material level of capital investment in 2021. A substantial portion of IW's operating and capital funding is provided by the State. In 2021, it received €893m in revenue subvention for domestic customer water usage and a €383m capital contribution. IW also borrowed an additional €130m in 2021 from a facility provided by the Minister for Finance



Established: 1927
State Ownership: 96.5%
Primary Sector: Energy
Employee Numbers (2021): 7,870
Chair: Terence O'Rourke
CEO: Paddy Hayes

### **Key Activities**

- Networks: Owner of the transmission network and owner and operator of the distribution network on the island of Ireland.
- Generation and Trading: Owner and operator of installed power generation capacity of 5.4GW across the SEM and Great Britain (GB), of which 1.0GW is renewable generation.
- Customer Solutions: Develops, markets, sells and services energy supply and service offerings through all of ESB's customer-facing brands (Electric Ireland, Smart Energy Services, ESB e-Cars, ESB Telecoms and ESB Energy) in the SEM and GB.
- Other: Provision of engineering and international consultancy services, SIRO fibre, Novus Modus investments and pre-commercial products.

# **Board Composition** (Oct-22)

- ▶ Total No. of Directors: 11 (max. 12)
- ► Chair: 1
- ▶ Other Non-Executive Directors: 5
- ► CEO: 1
- ▶ Worker Directors: 4



## **Key Financial Information** (Year ended 31 December, IFRS)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	3,870	5,248	3,731	+1,517
EBITDA (adjusted)	1,347	1,493	1,358	+135
EBIT (adjusted)	584	679	616	+63
PAT (adjusted)	326	377	401	-24
PAT (reported)	137	191	126	+65
Tangible Fixed Assets	10,898	11,467	11,054	+413
Net (Debt)/Cash	(4,919)	(4,946)	(5,120)	-174
Pension (Liabilities)/Assets	(375)	(101)	(223)	-122
Net Assets/(Liabilities)	3,854	4,111	3,908	+203
Gross Capital Expenditure	(942)	(1,091)	(965)	+126
Dividends Paid (normal)	(65)	(81)	(50)	+31
Key Indicators				
EBIT Margin	15.3%	12.9%	16.5%	-3.6%
Return on Invested Capital	5.2%	5.8%	5.4%	+0.4%
Net Gearing	56.0%	54.6%	56.7%	-2.1%
Dividend Payout	20.3%	20.1%	11.6%	+8.5%

# **Financial Performance 2021**

Financial performance improved in 2021 compared to 2020 noting the significant commodity price volatility impacting energy markets in the latter half of 2021. Operating profit (pre-exceptionals) of €679m was €63m higher than 2020 reflecting improved profitability from network activities (due to higher electricity demand and tariffs) and from upstream generation activities (due to higher running and margins for ESB's GB fleet primarily) but partly offset by material losses from its downstream supply business in GB in particular (noting wholesale energy costs were at levels in excess of the regulated price cap in that market). Higher reported PAT of €191m (2020: €126m) reflects the improved group operating profitability. Continued material levels of capital investment during the year of over €1bn and dividends of €81m were paid in 2021. Continued material levels of capital investment during the year of over €1bn. Dividends of €81m were paid in 2021 (2020: €50m).



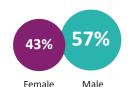
Established: 1994
State Holding: 100%
Primary Sector: Aviation
Employee Numbers (2021): 714
Chair: Rose Hynes
CEO: Peter Kearney

# **Key Activities**

- ▶ IAA is responsible for the provision of air traffic management services in Irish-controlled airspace and at the main State airports; it provides air traffic management services to flights passing through Irish-controlled airspace and to flights landing at and departing from Cork, Dublin and Shannon airports.
- Sole provider of high frequency voice communications to aircraft flying over the north-eastern Atlantic ocean.
- ▶ IAA's Safety Regulation Division is responsible for the safety regulation of the civil aviation industry in Ireland and the oversight of civil aviation security in Ireland.

# **Board Composition (Oct-22)**

- ► Total No. of Directors: 7 (max. 9)
- ► Chair: 1
- ▶ Other Non-Executive Directors: 4
- ► CEO: 1
- Worker Directors: 1



# **Key Financial Information** (Year ended 31 December, FRS102)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	181	162	156	+6
EBITDA (adjusted)	35	23	15	+8
EBIT (adjusted)	23	12	4	+8
PAT (adjusted)	19	11	2	+9
PAT (reported)	19	10	(1)	+11
Tangible Fixed Assets	102	113	112	+1
Net (Debt)/Cash	195	134	170	-36
Pension (Liabilities)/Assets	(92)	(67)	(118)	-51
Net Assets/(Liabilities)	225	260	203	+57
Gross Capital Expenditure	(19)	(12)	(14)	-2
Dividends Paid (normal)	(6)	(0)	(8)	-8
Key Indicators				
EBIT Margin	11.9%	7.7%	2.4%	+5.3%
Return on Invested Capital	7.3%	4.2%	1.7%	+2.5%
Net Gearing	-	-	-	-
Dividend Payout	23.1%	2.7%	28.0%	-25.3%

#### **Financial Performance 2021**

Improved financial performance in 2021 compared to 2020 with higher turnover and profitability reported, although at significantly lower levels than 2019. Turnover of €162m in 2021 reflected an increase of 4% compared to 2020, reflecting a partial recovery in air traffic volumes, but was 18% lower than 2019. IAA reported an adjusted PAT of €11m in 2021 which reflected both the partial recovery in revenue and Government wage supports received by IAA in the period. Net cash decreased by €36m in 2021 (and by €99m in total over 2020-21) despite improved profitability. This is largely driven by emergency measures introduced by the European Commission whereby a portion of IAA's regulated revenue in 2020 and 2021 is to be recovered over a seven-year period between 2023 and 2029. A dividend of €41k was paid in 2021 (2020: €8m).



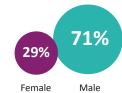
Established: 1997
State Holding: 100%
Primary Sector: Ports
Employee Numbers (2021): 164
Chair: Michael Walsh
CEO: Eoin McGettigan

### **Key Activities**

- Cork Port is classified as a Tier 1 port by the National Ports Policy 2013 and as a core/comprehensive port in the EU TEN-T network.
- Key revenue generating functions are the setting and collection of port dues, terminal operations, leasing of port land, infrastructure and superstructure to private sector operators.
- Also generates income from stevedoring service charges, rents on warehouse space, vessel towage charges, storage charges and other activities.

# **Board Composition (Oct-22)**

- ► Total No. of Directors: 7 (max. 8)
- ► Chair: 1
- Other Non-Executive Directors: 4
- ► CEO: 1
- Worker Directors: 1



# **Key Financial Information** (Year ended 31 December, FRS102)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	35.6	39.8	33.7	+6.1
EBITDA (adjusted)	10.4	11.6	10.1	+1.5
EBIT (adjusted)	6.6	7.8	6.1	+1.7
PAT (adjusted)	5.2	6.3	4.7	+1.6
PAT (reported)	6.0	10.0	4.7	+5.3
Tangible Fixed Assets	132.8	166.7	156.5	+10.2
Net (Debt)/Cash	(13.9)	(33.2)	(31.4)	+1.8
Pension (Liabilities)/Assets	(7.2)	(3.6)	(6.1)	-2.5
Net Assets/(Liabilities)	89.1	104.8	92.9	+11.9
Gross Capital Expenditure	(18.8)	(16.8)	(29.9)	-13.1
Dividends Paid (normal)	(0.3)	-	-	-
Key Indicators				
EBIT Margin	18.4%	19.5%	18.1%	+1.4%
Return on Invested Capital	4.8%	4.4%	4.0%	+0.4%
Net Gearing	12.5%	24.1%	25.3%	-1.2%
Dividend Payout	7.8%	-	-	-

# **Financial Performance 2021**

An improved financial performance in 2021 compared to 2020 with higher operating profits and PAT reported. This resulted from an increase in turnover in 2021 of €6m (+18%) due mainly to higher container throughput volumes at the port (+13%), which reflects new direct services to Europe following Brexit and wider economic recovery from the impact of Covid-19 during the year. The higher level of increase in reported PAT includes a gain of €4m on the disposal of the Custom House property during the year. There was a reduced level of capital investment year-on-year, reflecting the completion of the Ringaskiddy development in July 2021. No dividend was paid in 2021 (2020: nil).



Established: 1999
State Ownership: 100%
Primary Sector: Ports
Employee Numbers (2021): 45
Chair: Des Whelan

# **Key Activities**

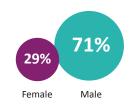
▶ The Port of Waterford is classified as a Tier 2 port by the National Ports Policy 2013 and as a core/comprehensive port in the EU TEN-T network

CEO:

- Key revenue generating functions are the setting and collection of port dues, terminal operations, leasing of port land, infrastructure and superstructure to private sector operators.
- Also generates income from stevedoring service charges, rents on warehouse space, vessel towage charges, storage charges, car parking and other activities.

### **Board Composition** (Oct-22)

- ► Total No. of Directors: 7 (max. 8)
- Chair: 1
- Other Non-Executive Directors: 4
- ► CEO: 1
- Worker Directors: 1



David Sinnott

# **Key Financial Information** (Year ended 31 December, FRS102)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	7.7	7.7	7.2	+0.5
EBITDA (adjusted)	2.0	2.0	1.2	+0.8
EBIT (adjusted)	1.0	1.1	0.3	+0.8
PAT (adjusted)	1.0	1.1	0.3	+0.8
PAT (reported)	1.2	1.1	0.6	+0.5
Tangible Fixed Assets	26.8	26.8	26.3	+0.5
Net (Debt)/Cash	5.1	7.1	6.5	+0.6
Pension (Liabilities)/Assets	(1.0)	(0.3)	(0.2)	+0.1
Net Assets/(Liabilities)	32.6	33.9	33.0	+0.9
Gross Capital Expenditure	(1.3)	(1.9)	(0.5)	+1.4
Dividends Paid (normal)	-	-	-	-
Key Indicators				
EBIT Margin	12.8%	14.0%	4.8%	+9.2%
Return on Invested Capital	2.6%	2.8%	0.9%	+1.9%
Net Gearing	-	-	-	-
Dividend Payout	-	-	-	-

# **Financial Performance 2021**

An improvement in financial performance in 2021 relative to 2020 with the port recording higher turnover (+7%) and PAT (+79%). Increased turnover levels with higher port dues reflecting improved throughput volumes at the port (+11% year-on-year), due mainly to increased volumes of building materials cargo. Although profitability improved in 2021 with reported PAT of €1.1m (2020: €0.6m), Covid-19 did continue to impact during the year, particularly in relation to car parking income and cruise related traffic. Improved cash position in 2021 reflecting higher operating cash generation. No dividend was paid in 2021 (2020: nil).



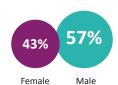
Established: 2000
State Holding: 100%
Primary Sector: Ports
Employee Numbers (2021): 51
Chair: David McGarry
CEO: Pat Keating

### **Key Activities**

- SFPC is classified as a Tier 1 port by the National Ports Policy 2013 and as a core/comprehensive port in the EU TEN-T network.
- Revenues are generated from activity at its directly-owned terminals at Foynes, Limerick Docks and Shannon and from activity at three privately-owned terminals on the Shannon Estuary: (i) ESB's Moneypoint power station, (ii) the Aughinish Alumina plant and (iii) Tarbert, at which an SSE-owned power plant a National Oil Reserves Agency storage facility are located.
- SFPC also has a wholly-owned and fully consolidated subsidiary,
   Limerick Cargo Handling DAC, which carries out stevedoring activities.

# **Board Composition (Oct-22)**

- ► Total No. of Directors: 7 (max. 8)
- Chair: 1
- ▶ Other Non-Executive Directors: 4
- ► CEO: 1
- ▶ Worker Directors: 1



## **Key Financial Information** (Year ended 31 December, FRS102)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	14.3	16.0	12.9	+3.1
EBITDA (adjusted)	6.5	7.5	5.5	+2.0
EBIT (adjusted)	4.5	5.5	3.3	+2.2
PAT (adjusted)	3.6	4.6	2.6	+2.0
PAT (reported)	3.9	4.6	2.6	+2.0
Tangible Fixed Assets	57.4	55.6	56.6	-1.0
Net (Debt)/Cash	(2.3)	5.6	1.0	+4.6
Pension (Liabilities)/Assets	(7.9)	(4.3)	(8.1)	-3.8
Net Assets/(Liabilities)	44.7	53.7	46.9	+6.8
Gross Capital Expenditure	(2.8)	(1.4)	(1.6)	-0.2
Dividends Paid (normal)	(0.2)	(0.3)	-	+0.3
Key Indicators				
EBIT Margin	30.9%	34.2%	25.9%	+8.3%
Return on Invested Capital	6.3%	7.4%	4.6%	+2.8%
Net Gearing	7.8%	-	-	-
Dividend Payout	6.7%	10.3%	-	+10.3%

# **Financial Performance 2021**

An improved financial performance in 2021 relative to 2020, with strong growth in throughput volumes at the port (+16%) reflecting wider economic recovery from the impact of Covid-19 during 2021. Throughput growth in 2021 was reported for the port's directly managed terminals (+10%) and privately-owned terminals (+18%), the latter driven in particular by fuel imports to support the national grid in meeting increased electricity demand during the year. The increase in activity and underlying cargo mix resulted in turnover growth of 24% year-on-year which, combined with lower growth in costs, led to improved profitability levels in 2021. SFPC's net cash position increased year-on-year reflecting primarily a fall in gross debt. A dividend of €0.3m was paid in 2021 (2020: nil).



Established: 2014
State Ownership: 100%
Primary Sector: Aviation (Airports)
Employee Numbers (2021): 318
Chair: Conal Henry
CEO: Mary Considine

**Key Activities** 

- ▶ Provision of air transport and aviation services at Shannon Airport and the development of the aerospace industry in Shannon.
- Owns and operates a range of business and industrial parks in the Shannon/Limerick area and across the mid-west of Ireland with the flagship park being the Shannon Free Zone.
- Development and operation of a range of heritage tourism attractions in mid-west Ireland.

# **Board Composition (Oct-22)**

- ▶ Total No. of Directors: 9 (max. 10)
- ► Chair: 1
- ▶ Other Non-Executive Directors: 5
- ► CEO: 1
- ► Employee Representatives: 2



# Key Financial Information (Year ended 31 December, IFRS)

Key Financial Information (€'m)	5yr Avg	2021	2020	γογ Δ
Turnover	60.8	40.5	34.3	+6.2
EBITDA (adjusted)	10.5	14.8	1.2	+13.6
EBIT (adjusted)	17.2	27.9	1.4	+26.5
PAT (adjusted)	15.6	26.0	(0.3)	+26.3
PAT (reported)	8.7	26.0	(28.2)	+54.2
Tangible Fixed Assets	65.4	61.1	55.9	+5.2
Net (Debt)/Cash	5.2	30.7	(3.4)	+34.1
Pension (Liabilities)/Assets	(0.7)	(0.7)	(0.8)	-0.1
Net Assets/(Liabilities)	155.1	170.5	144.5	+26.0
Gross Capital Expenditure	(23.9)	(15.9)	(17.2)	-1.3
Dividends Paid (normal)	-	-	-	-
Key Indicators				
EBIT Margin	29.3%	68.9%	4.2%	+64.7%
Return on Invested Capital	2.1%	3.5%	(2.9%)	+6.4%
Net Gearing	1.2%	-	2.3%	-2.3%
Dividend Payout	-	-	-	-

#### **Financial Performance 2021**

Improved financial performance in 2021 compared to 2020 with higher turnover and profitability reported. Turnover increased by 18% (€6m) in 2021 compared to 2020 but remained significantly below historic 2019 levels as passenger numbers remained substantially reduced compared to pre-pandemic levels (-78% vs. 2019). Commercial property revenues were also slightly higher (1.3%) than pre-pandemic levels indicating the higher impact of the pandemic on the aviation and tourism sectors. Significantly improved profitability compared to prior-year and the five year historic average is largely driven by non-cash net increase in fair value of investment property (€9.9m) and gain on disposal of investment property (€10.4m) and also reflects the continuation of Government wage and other financial supports received by The Shannon Airport Group in the period. The net (debt)/cash position improved by €34m primarily due to asset disposals of €20.5m in 2021. No dividend was paid in 2021 (2020: nil).



# **Appendix A – Important Notice**

This report (the "Report") has been prepared by the New Economy and Recovery Authority ("NewERA") for the purposes of providing an overview of the combined annual financial performance of the portfolio of Designated Bodies (as defined in the National Treasury Management Agency (Amendment) Act 2014 (the "NTMA Act"). These companies are referred to as the "Portfolio" or the "Portfolio" Companies" for the purposes of the Report and are listed below along with their latest respective reported financial year ends, which form the basis of the financial information presented in this report (the "Relevant Financial Year").

Portfolio Companies	Relevant Financial Year (twelve months ending)
An Post	31 December 2021
Bord na Móna plc (" <b>BnM</b> ")	30 March 2022
Coras lompair Éireann (" <b>CIÉ</b> ")	31 December 2021
CIÉ operating subsidiaries (also designated to NewERA):	
Bus Átha Cliath (" <b>BÁC"</b> )	31 December 2021
Bus Éireann (" <b>BÉ</b> ")	31 December 2021
Iarnród Éireann (" <b>IÉ</b> ")	31 December 2021
Coillte Cuideachta Ghníomhaíochta Ainmnithe ("Coillte")	31 December 2021
daa plc ("daa")	31 December 2021
Dublin Port Company (" <b>DPC</b> ")	31 December 2021
EirGrid plc ("EirGrid")	30 September 2021
Ervia	31 December 2021
Electricity Supply Board ("ESB")	31 December 2021
Irish Aviation Authority ("IAA")	31 December 2021
Irish Water (" <b>IW</b> ")	31 December 2021
Port of Cork Company (" <b>PoCC</b> ")	31 December 2021
Port of Waterford (" <b>PoW</b> ")	31 December 2021
Shannon Foynes Port Company (" <b>SFPC</b> ")	31 December 2021
Shannon Group plc ("The Shannon Airport Group")	31 December 2021

As many of the Portfolio Companies report on a consolidated basis, reference to them in this Report includes the relevant subsidiaries. It should also be noted that certain of the Portfolio Companies are statutory bodies rather than companies but, for ease of reference, are referred to in this Report as companies. For the purposes of the Report, the Relevant Financial Year for the Portfolio Companies is collectively referred to as "2021" but, for individual Portfolio Companies with a year end post 31 December 2021 (currently only BnM), the Relevant Financial Year is referred to as "2022".

This Report is issued by NewERA for information purposes only. The contents of this Report do not constitute investment, legal, business or tax advice and should not be read as such. This Report has been prepared by NewERA primarily on the basis of publicly available information relating to the Portfolio Companies including, without limitation, their respective most recently published annual reports. Financial performance measures utilised by NewERA and presented in this Report (see Appendix D) have been applied by NewERA on a standardised basis across each of the Portfolio Companies. The financial performance measures applied by each of the Portfolio Companies for their own purposes and how these are calculated may differ.

This Report also includes some general and non-exhaustive observations by NewERA arising out of its work with the Portfolio Companies which may be of relevance to the historical and future performance of the Portfolio Companies. These observations are made from a financial/commercial perspective only; any legal, regulatory and/or policy implications which may also be relevant to these observations are not addressed in this Report.

The accuracy and completeness of the information on which this Report is based has not been independently audited, tested or verified by NewERA and no undertaking, representation or warranty (express or implied) is given as to, and no responsibility or liability, whether in negligence or otherwise howsoever, is accepted by NewERA in respect of, the fairness, reasonableness, adequacy, accuracy, completeness, fitness for use or use of the contents of this Report. Furthermore, NewERA makes no representation that use of this Report or any of its content would not infringe other proprietary rights.

# **Appendix B – Shareholdings/Stockholdings of the Portfolio Companies**

Shareholdings/stockholdings in the Portfolio Companies (excluding IW) as at the Relevant Financial Year End

Portfolio	Entity Type	Units in Issue		Port	Portion held by or for					
Company			MPER (Note 1)	MHLGH	MECC	MT	MAFM	ESOT		
An Post	Designated Activity Company	54,590,946 ordinary shares	One share	-	c.100%	-	-	-		
BnM	Public Limited Company	65,212,639 ordinary shares	c.95%	_	One share	_	_	5%		
Coillte	Designated Activity Company	631,000,000 ordinary shares	c.100%	_	-	_	One share	_		
CIÉ	Statutory Body	Note 2	_	_	_	Note 2	_	_		
daa	Public Limited Company	186,336,813 ordinary shares	100%	_	_	_	_	_		
DPC	Designated Activity Company	11,571,000 ordinary shares	One share	_	-	c.100%	_	_		
EirGrid	Public Limited Company	30,000 ordinary shares	c.100%	_	One share	_	_	_		
Ervia	Statutory Body	Note 3	Note 3	Note 3	Note 3	_	_	_		
ESB	Statutory Body	1,949,381,855 units capital stock	86.3%	-	10.2%	_	_	c.3.5%		
IAA	Designated Activity Company	17,858,000 ordinary shares	c.100%	_	-	One share	_	_		
Port of Cork	Designated Activity Company	18,014,977 ordinary shares	One share	-	-	c.100%	-	_		
Port of Waterford	Designated Activity Company	14,940,642 ordinary shares	One share	_	_	c.100%	_	_		
SFPC	Designated Activity Company	17,749,900 ordinary shares				_				
The Shannon Airport Group	Public Limited Company	38,107 ordinary shares	100%	_	_	_	_	_		

**Source:** NewERA Analysis of Annual Reports and public information

**Abbreviated Terms:** Minister for Public Expenditure and Reform ("MPER"), Minister for Housing, Local Government and Heritage ("MHLGH"), Minister for the Environment, Climate and Communications ("MECC"), Minister for Transport ("MT"), Minister for Agriculture, Food and the Marine ("MAFM"), Minister for Finance ("MFIN").

**Note 1:** The Ministers and Secretaries (Amendment) Act 2011 had the effect of transferring ownership of either the stock or shares previously held by the Minister for Finance to the MPER.

Note 2: CIÉ is a statutory body without share capital. It is wholly owned by the Government of Ireland and reports to the MT.

Note 3: Ervia is a statutory body. It is wholly owned by the Government of Ireland and, pursuant to the Gas Act 1976 (as amended), the MHLGH acts as the majority shareholding Minister for Ervia.

# Shareholdings in IW as at the Relevant Financial Year end

Portfolio	Entity Type	Units in Issue	Unit	Units held by or on behalf of					
Company			Ervia	MHLGH	MFIN	ESOP Trustee			
Irish Water	Designated Activity Company	1 ordinary A share <sup>1</sup> 650 ordinary B shares <sup>2</sup>	1 ordinary A share <sup>1</sup> (100% voting rights)	325 ordinary B shares <sup>2</sup> (50% economic rights)	325 ordinary B shares <sup>2</sup> (50% economic rights)	n/a			

Source: NewERA Analysis of Annual Reports and public information

- Ordinary A share is a voting share but with no economic rights attaching
- <sup>2</sup> Ordinary B shares are non-voting shares but with economic rights attaching

# **Appendix C – Board and Gender Representation Statistics**

The gender representation statistics presented in this section are as at 31 October 2022. For a number of the Portfolio Company boards there are appointment processes currently ongoing which may impact the gender representation statistics as at the time of report publication.

		_	irectors by Position			
Portfolio Company <sup>1</sup>	Maximum Number of Directors	Actual Number of Directors	Chairperson	Chief Executive Officer/Managing Director <sup>2</sup>	Non-Executive Director	Other³
An Post	15	15	1	1	7	6
BnM	12	10	1	1	5	3
CIÉ	12	12	1	-	7	4
Coillte	9	8	1	1	5	1
daa	13	13	1	1	7	4
DPC	8	7	1	1	4	1
EirGrid	10	8	1	1	5	1
Ervia	11	11	1	1	9	-
ESB	12	11	1	1	5	4
IAA	9	7	1	1	4	1
PoCC	8	7	1	1	4	1
PoW	8	7	1	1	4	1
SFPC	8	7	1	1	4	1
The Shannon Airport Group	10	9	1	1	5	2
Total	145	132	14	13	75	30

Source: NewERA Analysis, www.stateboards.ie, Portfolio Companies

#### Note:

- 1 Only Portfolio Companies designated to NewERA under legislation are included in the 2021/22 Annual Financial Review.
- 2 The CEO of CIÉ is not a board member.
- 3 The other category comprises worker directors, employee representatives/nominees, and ESOP representatives (where applicable).

	Bo	pard	Chair	person <sup>1</sup>	NED	(excl.	Ot	:her¹	CEO	/MD <sup>1,2</sup>	Executive N	/lanagement
					Chairperson)					Team (ex	cluding the /MD)	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
An Post	60%	40%		•	43%	57%	83%	17%	•		43%	57%
BnM	70%	30%	•		60%	40%	67%	33%	•		71%	29%
CIÉ	67%	33%		•	57%	43%	100%		•		50%	50%
Coillte	62%	38%		•	80%	20%	•			•	57%	43%
daa	69%	31%	•		57%	43%	100%			•	78%	22%
DPC	71%	29%	•		50%	50%	•		•		89%	11%
EirGrid	75%	25%	•		60%	40%	•		•		83%	17%
Ervia - GNI <sup>3</sup>	73%	27%	•		67%	33%	-	-	•		67%	33%
Ervia - IW <sup>3</sup>	73%	27%	•		67%	33%	-	-	•		75%	25%
ESB	73%	27%	•		40%	60%	100%		•		56%	44%
IAA	57%	43%		•	50%	50%	•		•		62%	38%
PoCC	71%	29%	•		50%	50%	•		•		100%	-
PoW	71%	29%	•		50%	50%	•		•		71%	29%
SFPC	57%	43%	•		25%	75%	•		•		100%	-
The Shannon Airport Group	78%	22%	•		100%	-	50%	50%		•	50%	50%
Portfolio – Oct 2022	68%	32%	71%	29%	57%	43%	90%	10%	79%	21%	70%	30%
Portfolio – Oct 2021 <sup>4</sup>	72%	28%	69%	31%	62%	38%	88%	12%	86%	14%	76%	24%
Portfolio – Dec 2020 <sup>5</sup>	70%	30%	82%	18%	59%	41%	90%.	10%	86%	14%	78%	22%

Source: NewERA Analysis, www.stateboards.ie, Portfolio Companies

# Notes:

- Where a category comprises one individual, this is denoted by ●. For categories comprising more than one individual, the statistic is expressed in percentage terms.
- 2 The CEO of CIÉ is not a board member. This individual is included in the CEO/MD category statistics per the above table but is not reflected in the overall board statistics.
- The board level figures for GNI and IW relate to Ervia which is the parent company of both entities, whereas the EMT figures relate to the GNI and IW subsidiaries individually.
- Data as at 31 October 2021 restated to exclude Vhi for comparison purposes.
- 5 Data as at 31 December 2020 restated to exclude Vhi and include Port of Waterford for comparison purposes.

# **Appendix D – Financial Performance Measures**

Term	Definition					
Acid Test Ratio	Aggregate of closing balance for trade and other receivables, cash and current tax assets <u>divia</u> <u>by</u> aggregate of closing balance for trade and other payables, current borrowings and current liabilities					
Adjusted EBIT	Earnings before interest and tax, adjusted for exceptional items and certain fair value movements. Also referred to in this report as operating profit					
Adjusted EBITDA	Earnings before interest, tax, depreciation and amortisation adjusted for exceptional items and certain fair value movements					
Adjusted PAT	Net profit after tax, adjusted for exceptional items and certain fair value movements					
Average Employee Costs	<ol> <li>Employee costs <u>divided by</u> average number of employees where employee costs:</li> <li>Include capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any)</li> <li>Include capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs</li> <li>Note: where an entity does not disclose the average number of employees in the notes to its financial statements, the employee numbers as at the end of the financial year are used.</li> </ol>					
Current Ratio	Aggregate of closing balance for inventories, trade and other receivables, cash and current tax assets <u>divided by</u> aggregate of closing balance for trade and other payables, current borrowings and current tax liabilities					
Dividends Paid	Dividends paid during the financial year per the cashflow statement (including or excluding special dividends depending on the individual metric)					
Dividend Payout Rate	Dividends Paid (excluding special dividends) <u>divided by</u> prior year Adjusted PAT					
Earnings (adjusted) Growth	Year-on-year growth in Adjusted PAT					
EBITDA Margin	Adjusted EBITDA <u>divided by</u> reported turnover					
EBIT Margin/Operating Margin	Adjusted EBIT <u>divided by</u> reported turnover					
EBITDA Interest Cover	Adjusted EBITDA <u>divided by</u> interest paid					
Equity	Total shareholder(s) equity taken from the balance sheet					
Fair Value Movements	Includes unrealised fair value gains/losses on derivatives or all fair value gains/losses on derivatives where the entity does not separately identify unrealised items					
Invested Capital	Adjusted total debt <u>plus</u> adjusted total equity (per NewERA methodology)					
Net Debt	Gross borrowings <u>plus</u> right of use lease liabilities <u>less</u> cash					
Net Debt/EBITDA	Net debt <u>divided by</u> Adjusted EBITDA					
Net Gearing	Net debt <u>divided by</u> net debt plus equity					
PAT Margin	Adjusted PAT <u>divided by</u> turnover					
Return on Invested Capital (ROIC)	Net operating profit after tax (NOPAT) <u>divided by</u> average invested capital					
Turnover Growth	Year-on-year growth in reported turnover					

# **Appendix E – Aggregated Financial Information**

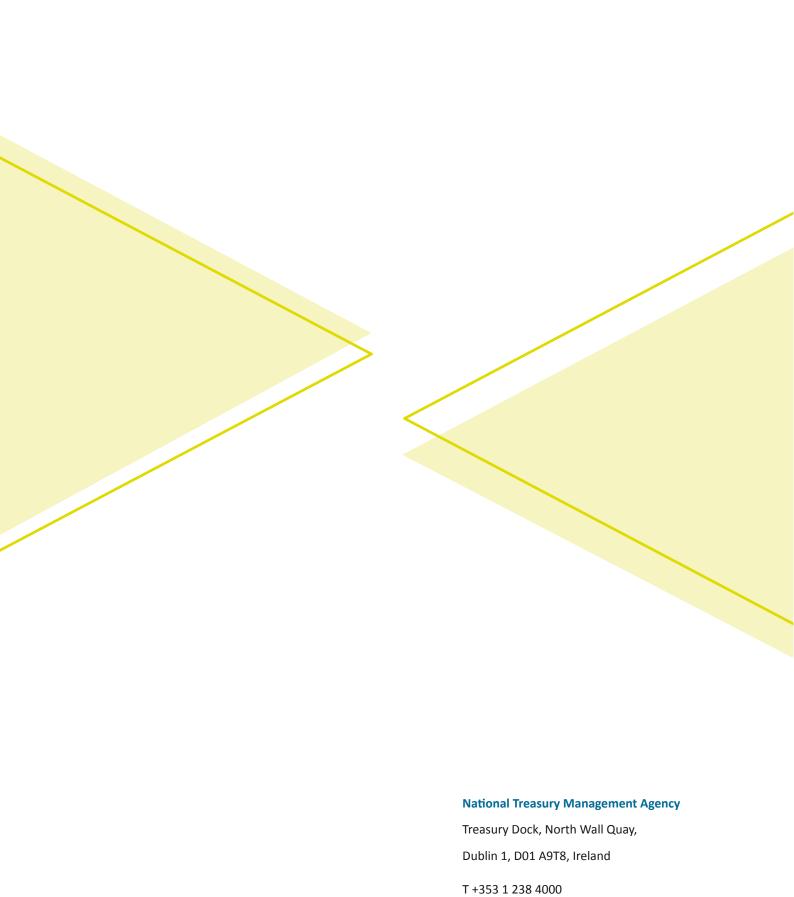
Key Financial Information	5yr Avg	2021	2020	2019	2018	2017
INCOME STATEMENT (€'m)						
Turnover	10,032	11,318	9,269	10,342	9,904	9,326
EBITDA (adjusted)	2,552	2,611	2,125	2,976	2,521	2,529
EBIT (adjusted)	1,232	1,187	744	1,670	1,304	1,254
PAT (adjusted))	811	748	439	1,223	868	778
PAT (reported)	590	567	22	1,115	711	538
BALANCE SHEET (€'m)						
Tangible Fixed Assets	24,861	27,156	25,845	25,185	23,678	22,440
Gross Debt	(9,067)	(9,764)	(9,523)	(8,579)	(8,776)	(8,693)
Net (Debt)/Cash	(6,849)	(6,672)	(6,957)	(6,718)	(6,995)	(6,904)
Pension (Liabilities)/Assets	(1,383)	(663)	(1,496)	(1,669)	(1,376)	(1,711)
Employee Related Liabilities	(153)	(142)	(189)	(168)	(129)	(137)
Net Assets	11,250	13,577	11,926	11,696	10,055	8,995
Invested Capital	21,997	24,632	22,529	21,691	20,779	20,355
CASHFLOWS (€'m)						
Net Cashflow from Operations	2,235	2,788	1,932	2,317	2,152	1,985
Gross Capital Expenditure	(2,511)	(2,948)	(2,700)	(2,642)	(2,216)	(2,050)
Net (Acquisitions)/Disposals Spend	(38)	(29)	8	(209)	7	31
Dividends Paid (normal)	(167)	(157)	(112)	(170)	(165)	(232)
Dividends Paid (special)	(65)	_	(24)	(97)	(102)	(100)
Dividends Paid (total)	(232)	(157)	(136)	(267)	(267)	(332)
EMPLOYEES						
Employee Numbers	38,263	38,086	38,192	38,648	38,250	38,139
Avg. Cost per Employee (see note iii) €′000	69	71	70	69	69	67
Avg. Cost per Employee (see note iv) €′000	57	58	57	57	57	56

Key Metrics	5yr Avg	2021	2020	2019	2018	2017
PROFITABILITY & EFFICIENCY						
Turnover Growth	4.7%	22.1%	(10.4)%	4.4%	6.2%	1.3%
EBITDA Margin	25.5%	23.1%	22.9%	28.8%	25.5%	27.1%
Operating Margin (EBIT adjusted)	12.3%	10.5%	8.0%	16.2%	13.2%	13.4%
PAT Margin	8.1%	6.6%	4.7%	11.8%	8.8%	8.3%
Return on Invested Capital (ROIC)	5.1%	4.4%	3.0%	6.9%	5.6%	5.5%
LIQUIDITY						
Current Ratio (times)	1.2x	1.5x	1.6x	1.3x	0.9x	1.0x
Acid Test Ratio (times)	1.1x	1.4x	1.5x	1.2x	0.8x	0.9x
LEVERAGE						
Net Gearing (see note v)	38%	33%	37%	36%	41%	43%
Net Gearing (see note vi)	43%	36%	42%	42%	46%	49%
Net Debt/EBITDA (times)	2.7x	2.6x	3.3x	2.3x	2.8x	2.7x
EBITDA Interest Cover (times)	10.0x	12.0x	9.4x	12.0x	8.3x	8.0x
SHAREHOLDER RETURNS						
Dividend Payout (normal dividends)	23%	36%	9%	20%	21%	29%
Earnings (adjusted) growth	11%	70%	(64)%	41%	12%	(2)%

# Notes:

- i. Relative to last year's Annual Financial Review, Vhi is no longer included in the aggregated financial information as the report is confined to entities designated to NewERA under legislation.
- ii. The above measures are applied by NewERA on a standardised basis across each of the Portfolio Companies. It is recognised by NewERA that the financial measures used by each entity and how they are calculated may differ from the above. See Appendix D for NewERA's standardised performance measures.
- iii. Includes capitalised payroll, pension costs and social welfare costs and excludes exceptional costs (if any). Capitalised payroll included on a gross basis as breakdown is not available per published accounts.
- iv. Includes capitalised payroll and excludes exceptional costs (if any), social welfare costs and pension costs. Capitalised payroll included on a gross basis as breakdown is not available per published accounts.
- v. Net gearing excluding pensions and employee related liabilities.
- vi. Net gearing including pensions and employee related liabilities.





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