



Joint Oireachtas Committee on Agriculture, Food and the Marine

Coillte – Performance Update & Climate Change

12th December 2017

Our Business

Coillte is a commercial forestry company, owned by the State, that manages c.7% of the country's land (440k hectares). From this land we run three strong businesses, all of which have significant future potential:

Core forestry business

- Leadership position in forestry industry
- Contributes €2.3 billion to economy every year
- Supports 12,000 jobs
- 40,000 international truck movements each year
- Forecast to double in next 10 years



- 10 core forestry customers – support growth
- Sell 1.7 million m³ logs & plant 18 million trees
- Key role in addressing climate change
- Coillte Premium Partners
- Technology – Forest Management System

Major provider of Public Goods

- Flagship recreational sites
- Carbon sequestration
- Biodiversity / nature conservation



Meditate Smartply

- Manufactures sustainable, innovative MDF and OSB in two plants in south-east of Ireland and exports to over 30 countries
- Leader in market led MDF and OSB value-added products
- €59 million investment in Smartply manufacturing facility
- €68 million investment in world's first Tricoya wood chip plant

Land Solutions

- Lands suited to activities other than forestry – value-added solutions that generate recurring cash flows
- Support national policy objectives across range of infrastructure sectors including renewable energy, housing and tourism
- Renewable energy targets - strong wind farm portfolio

Significant progress on transformation strategy to become the Best Forestry and Land Solutions Company in Europe



- Operating cash grown from €0 to €30m in 3 years
- EBITDA on track to deliver €85m - move away from one-off sales
- Dividend will double from €4m in 2014 to €8m in 2017
- Restructured business – annual savings of €20m
- Refinancing €260m – annual interest savings €3m

Forestry at our core

- Plant 18 million trees
 - up 30% from 2014
- On track to sell 1.7million m³ sawlogs
 - highest in over 10 years
- New Forest Management System
 - €10m investment
- Over 1,000 forestry contractors
- Strong working relationship with customers
- Timber Brexit Industry Forum
- Launched Coillte Premium Partners
- Continuous Forestry Cover initiative
- FSC / PEFC Certification
- Innovative biodiversity classification project
 - protect and manage more effectively



Tourism & Recreation

- National Outdoors Recreation Plan
- €550k partnership with Fáilte Ireland
- Avondale Forest Park development

Sustainable wood panels products

- Value-added strategy for MDF and OSB
- €59m investment in new Smartply manufacturing plant
- €68m JV with BP and Accsys for Medite Tricoya
- Expansion into new markets
- Record MDF sales of 418,000m³ in 2016

Enabling National infrastructure

- Strong Wind Farm Portfolio
 - €400m investment with partners
 - Community engagement
- Next Wind Strategy – 1GW
- Robust forest mitigation strategy
- Sale of Telecoms business for €70m

What will we look like in 2019?

Forestry at our core
▲ 5% cash yield

**Next Horizon
- Beyond 2020
Strategy**

Meditate Smartply
▲ number one player
in value-added wood
panel products
in Europe

**World class recreational
& environmental services**

Land Solutions
▲ Strong recurring
cash

**Key role
in Climate
Change**

**Key enabler of
Renewable Energy**

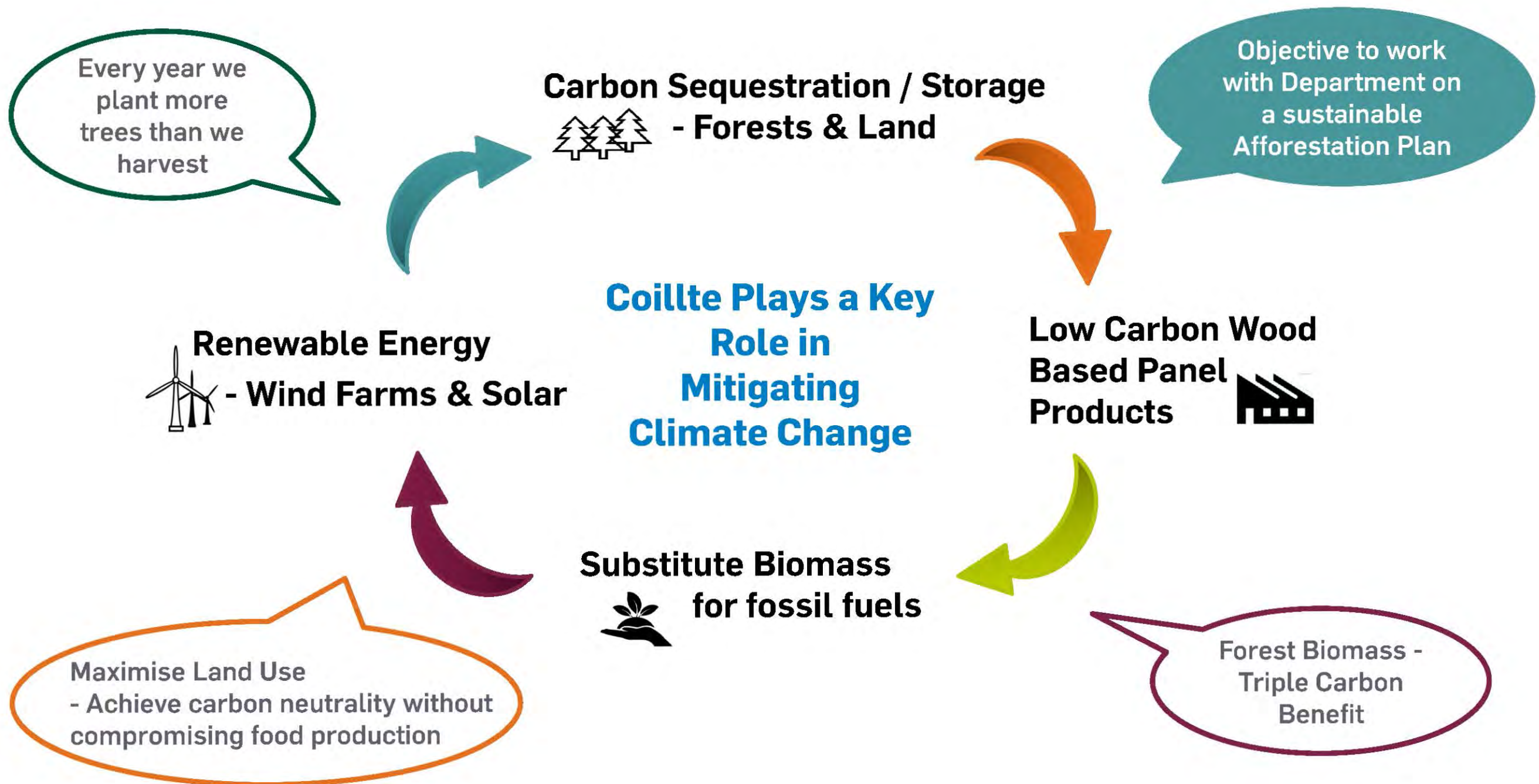
**Significantly higher
Dividend payment**

Vision
2019

**The Best Forestry and Land Solutions
Company in Europe**

Strong financial performance
▲ Operating cash - €60m
▲ EBITDA - €120m
▲ Strong Revenue Growth
▲ Dividend – multiple of today

Coillte & Climate Change



How do we sequester & store carbon?

Coillte is well positioned to be a leader in the Irish Bioeconomy

Planting Forests

- Plant 18 million trees every year
- Robust land mitigation strategy
- Afforestation – work with Department on a viable plan to grow Irish forestry cover from 11% to 14% in coming years

Sustainable Forest Management

- Maximise carbon sequestered / stored in trees and land
- FSC / PEFC Certification
- 20% of land managed for biodiversity
 - Bogs / uplands / native forests / rare habitats

Increased Forest Productivity

- Technology investment - new Forest Management System
- Private forestry initiative - Coillte Premium Partners
- Knowledge and expertise to sustainably manage supply & demand

Biomass

- Triple carbon benefit
 - Carbon sequestration when forest grows
 - Displace high embedded carbon products
 - Carbon neutral heat and energy

Thank you
