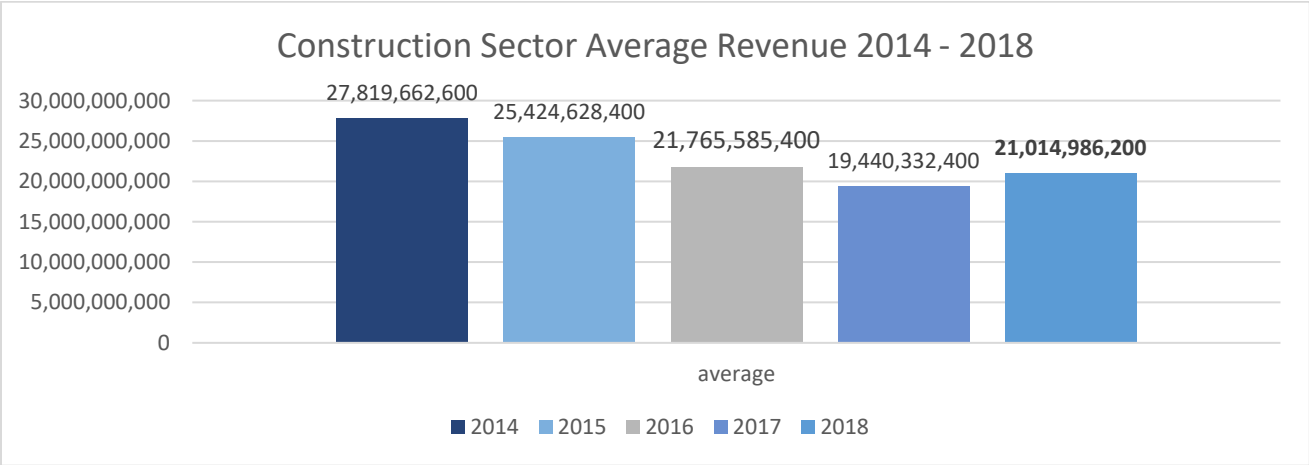
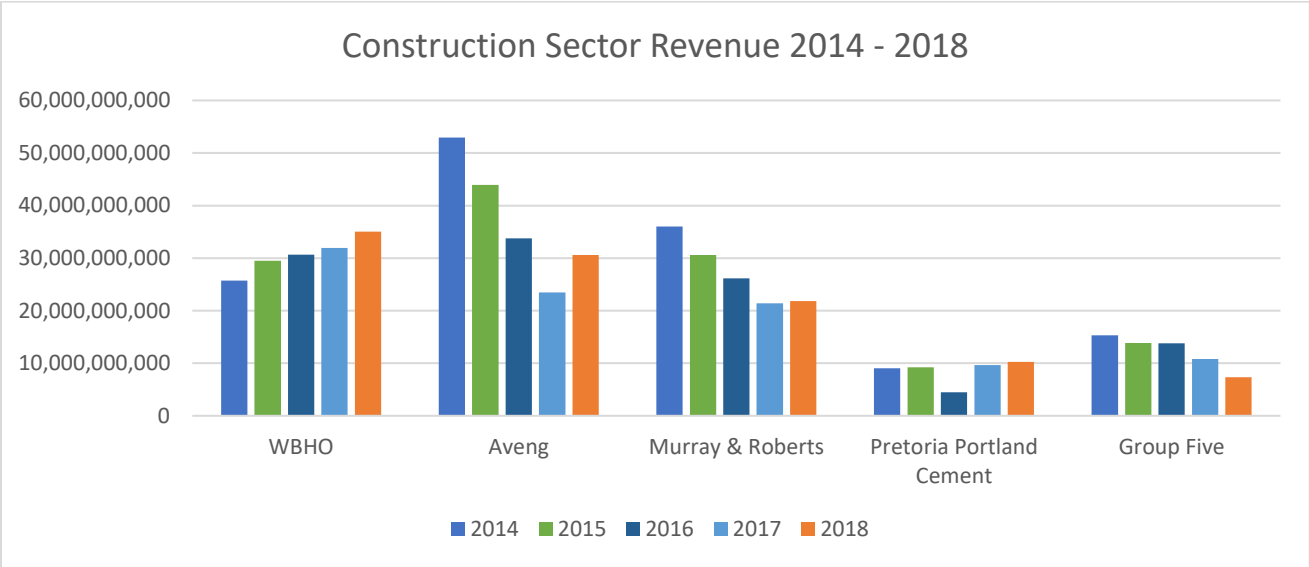


# 2019 SECTOR REPORT: CONSTRUCTION

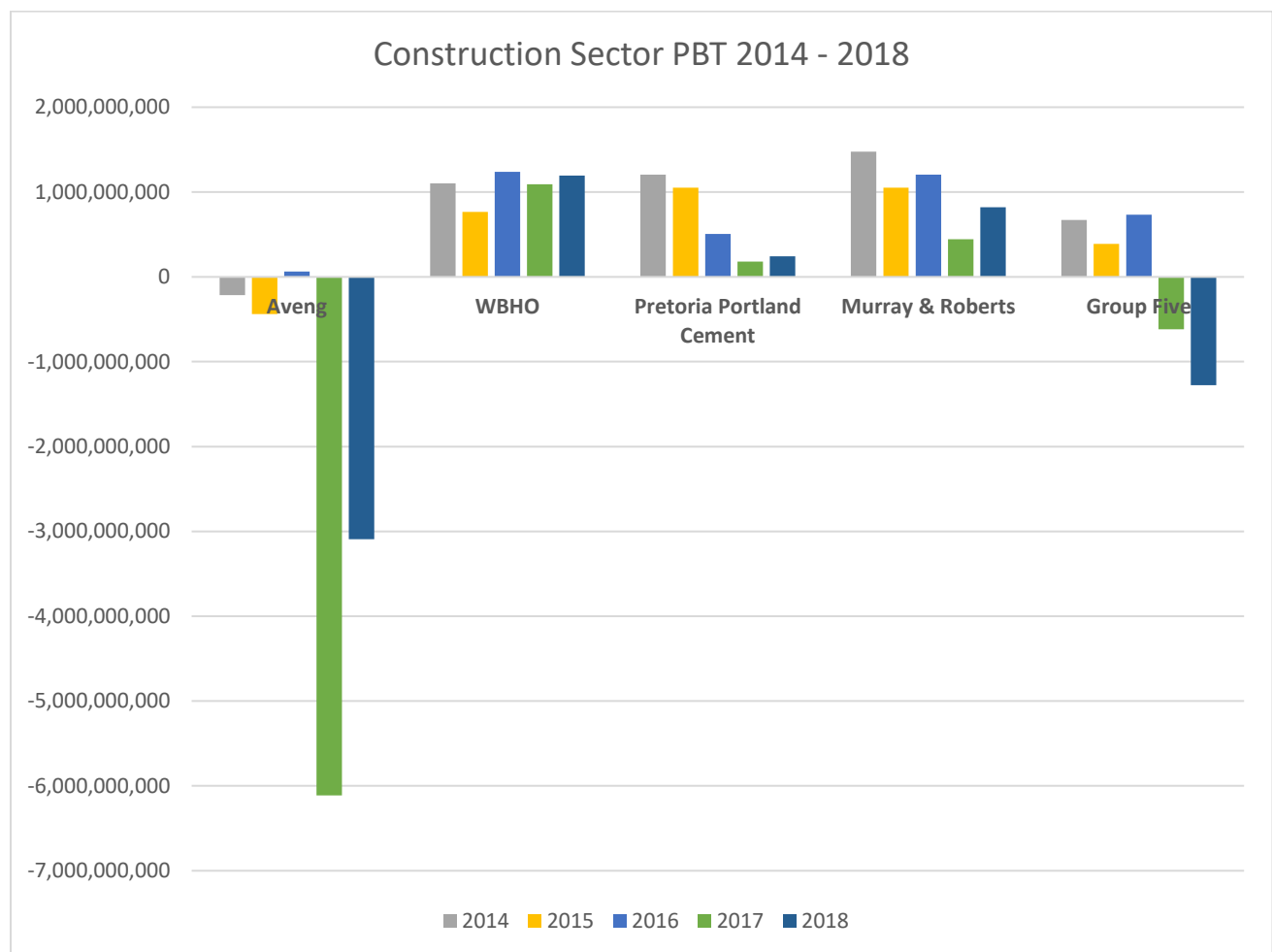
## Revenue

The JSE lists 17 companies in the Construction & Materials sector, making this a 30% representation of this group of companies. There are five construction companies included in the sample, namely WBHO, Aveng, Murray & Roberts, PPC and Group Five. Group Five reported a decrease in revenue of 31.96%, reflecting some of the hardships the construction industry faced over the course of the 2018 financial year. Aveng, however, reported an increase in revenue of over 30% to ZAR 30 billion. In this sample, on average.

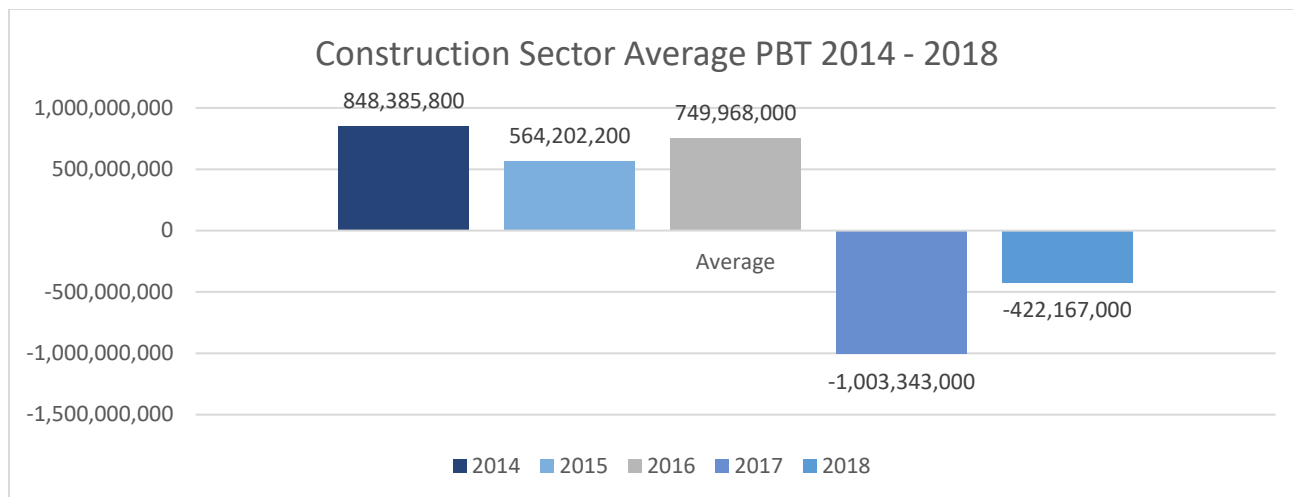


## Profit

The construction sector in South Africa is struggling. The South African economy is depressed, there are high levels of national debt and low infrastructure spending. 8000 jobs have been lost at Group Five alone.<sup>1</sup> This is evidenced by the low profits and big losses reported by the companies in this sample. Both Aveng and Group Five reported large losses, while Murray & Roberts, who have increased their international business, reported an increase in profit of over 80%. On average, the losses reported are less than reported in the 2017 financial year, but prospects for the current financial year (2019) are a cause for concern

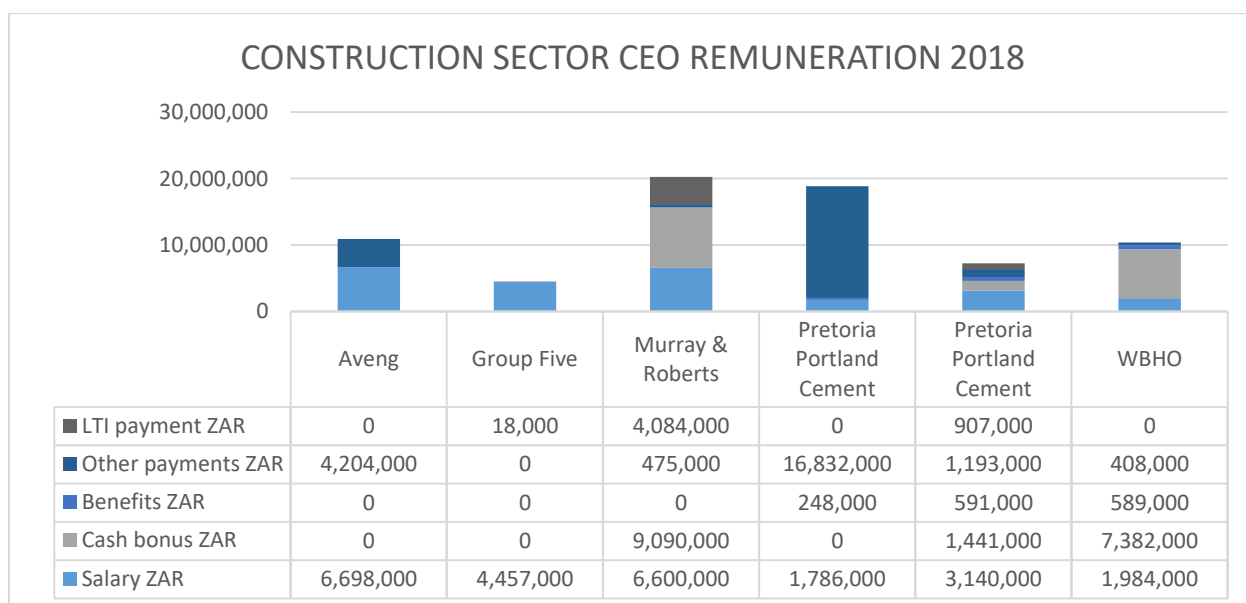


<sup>1</sup> <https://www.biznews.com/asset-management/2019/11/19/construction-crisis-ise>

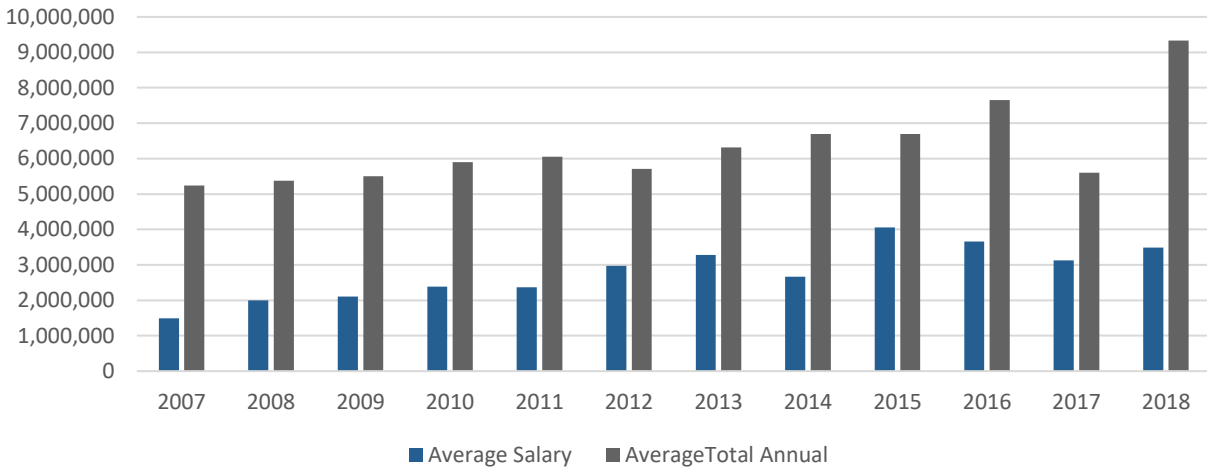


## Construction: Executive Pay

In our sample of construction companies, Murray & Roberts CEO Henry Johannes Laas received total remuneration of ZAR 20,249,000. On average, executive total remuneration increased by about 60%, mainly due to high LTI pay-outs at Murray & Roberts, PPC, Aveng and WBHO. PPC executive director Castle received an LTI of ZAR 18.8 million, while Aveng spent almost ZAR 40 million on LTI pay-outs. Non-executive directors in this sector on average received 2.84% less than the previous financial year.



### Construction Sector ED Remuneration 2007 - 2018



### Construction NED Remuneration 2007 - 2018

