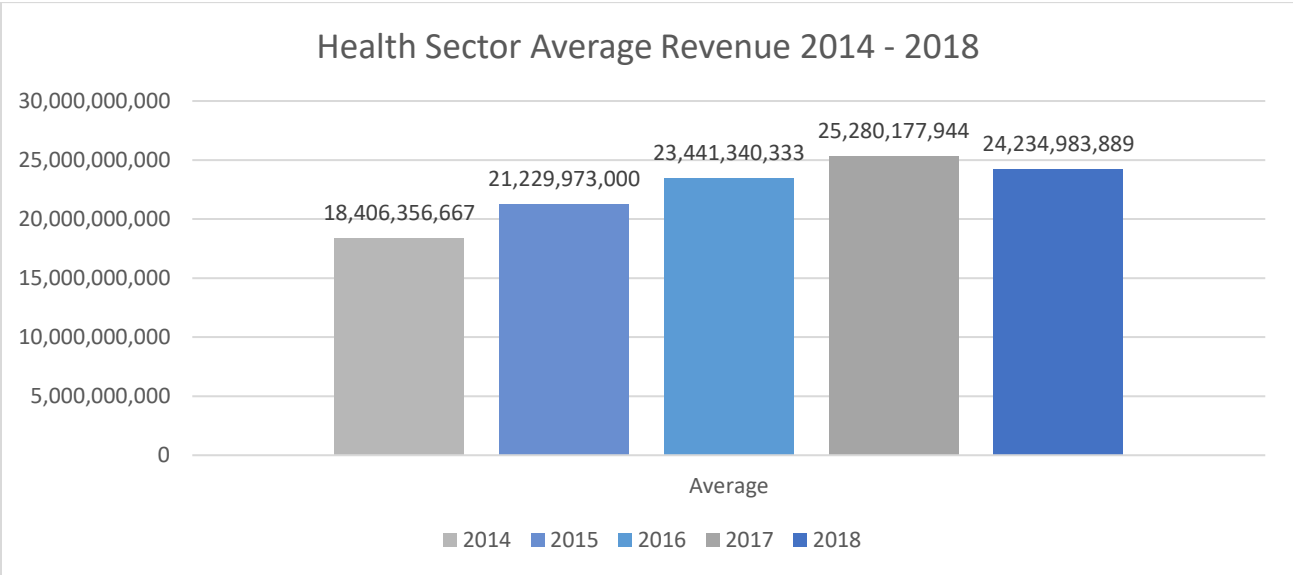
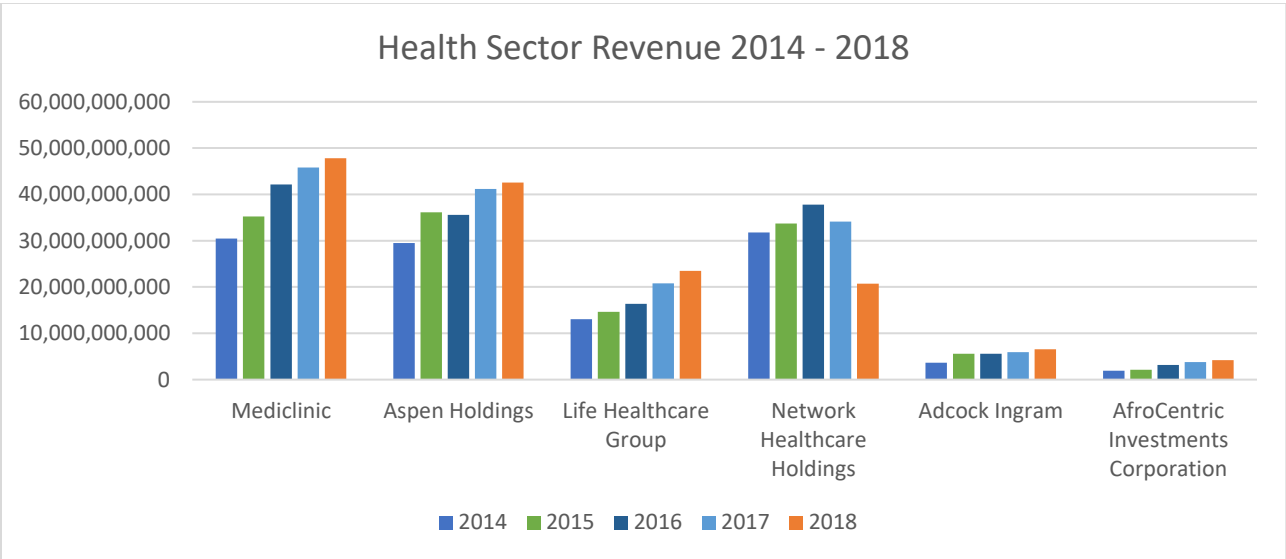


# 2019 SECTOR REPORT: HEALTH

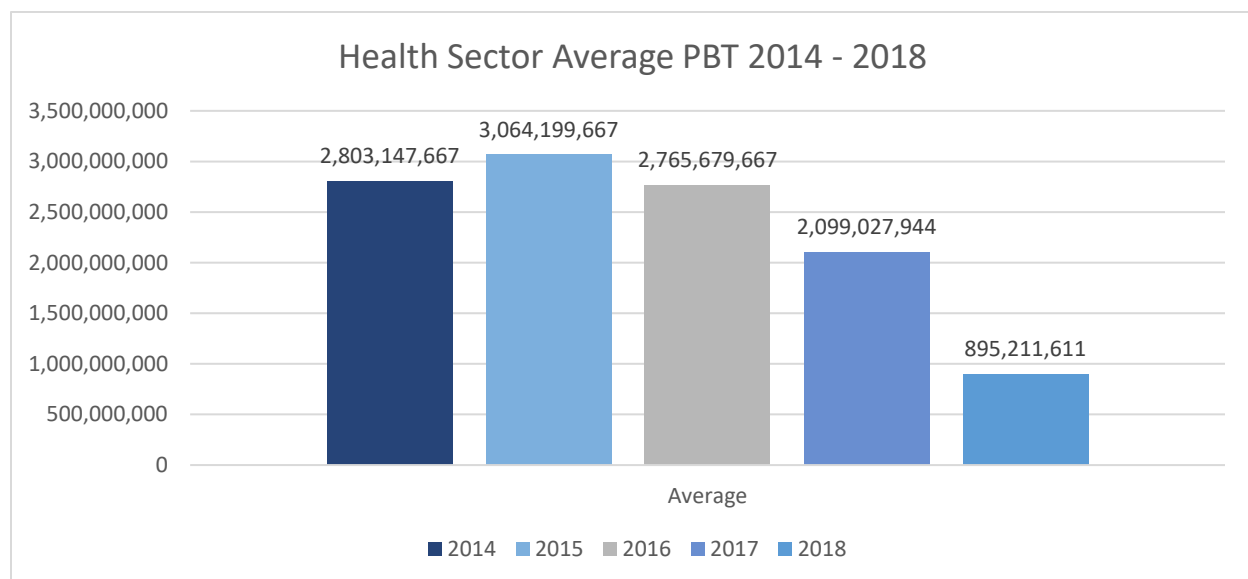
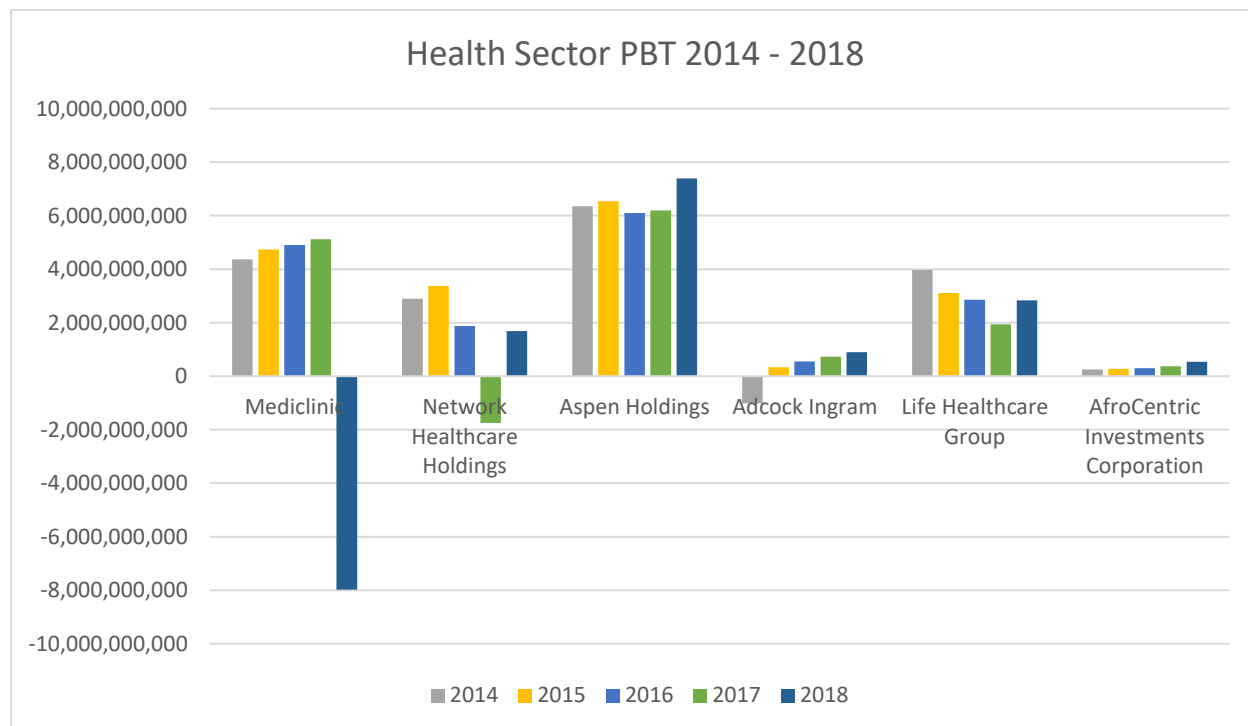
## Revenue

For the purpose of this category, we have combined both Health Care Equipment & Services and Pharmaceuticals off the JSE. There are 10 companies listed in these two categories on the JSE. In this sample, five of these companies are included. Afrocentric is listed in this category as the company is heavily invested in healthcare. Netcare (Network Healthcare Holdings) reported a large decrease in revenue of over 39%. The other companies in this category reported small increases in revenue ranging from 3.39% (Aspen Holdings) to 12.94% (Life Healthcare Group).



## Profit

In terms of profit before tax in this sector, Mediclinic announced a loss of ZAR 7,983,333,333. Network Healthcare Holdings reported profit before tax of ZAR 1.6 billion, after having reported a loss in 2017. Other companies in this sample reported significant increases in profit before tax: Aspen Holdings (19%); Adcock Ingram (23.5%); Life Healthcare (46.7%); and Afrocentric (46.85%).



## Health

In the health sector, Network Healthcare CEO Dr Richard Friedland ‘exercised and sold’ over 150 000 of his shares of the company. The annual report reports ‘gain arising on exercise’ of almost ZAR 2 billion. Below, a screenshot from the annual report to illustrate the way in which this is reported. In May 2018, the CEO sold off ZAR 200 million worth of his shares in the company.<sup>1</sup> This will reflect in the 2019 financial year.

### Forfeitable shares

held by executive directors and prescribed officers at 30 September 2018 (number of options)

Number of options	Grant date	1 Oct 2017	Exercised	Shares sold during the year	Shares granted during the year	30 Sep 2018	Market price at exercise date (cents)	Gain arising on exercise R'000
<b>Executive directors</b>								
RH Friedland <sup>1</sup>	13 Dec 12	762 816	(154 622)	(109 265)	889 736	1 388 665	2 659	1 879 268
KN Gibson <sup>2</sup>	13 Dec 12	316 194	(61 892)	(42 650)	380 428	592 080	2 662	753 356
<b>Prescribed officers</b>								
WN van der Merwe <sup>3</sup>	13 Dec 12	82 890	(19 206)	(8 087)	217 848	273 445	2 625	504 124
J Du Plessis	13 Dec 12	245 255	(48 980)	(34 250)	304 907	466 932	2 646	592 516
C Grindell	13 Dec 12	66 266	(15 675)	(6 945)	173 265	216 911	2 711	424 956
		1 473 421	(300 375)	(201 197)	1 966 184	2 938 033		4 154 220

<sup>1</sup> RH Friedland exercised and sold 154 622 (2017: 291 371) share options during the year in terms of the FSP.

<sup>2</sup> KN Gibson exercised and sold 61 892 (2017: 113 735) share options during the year in terms of the FSP.

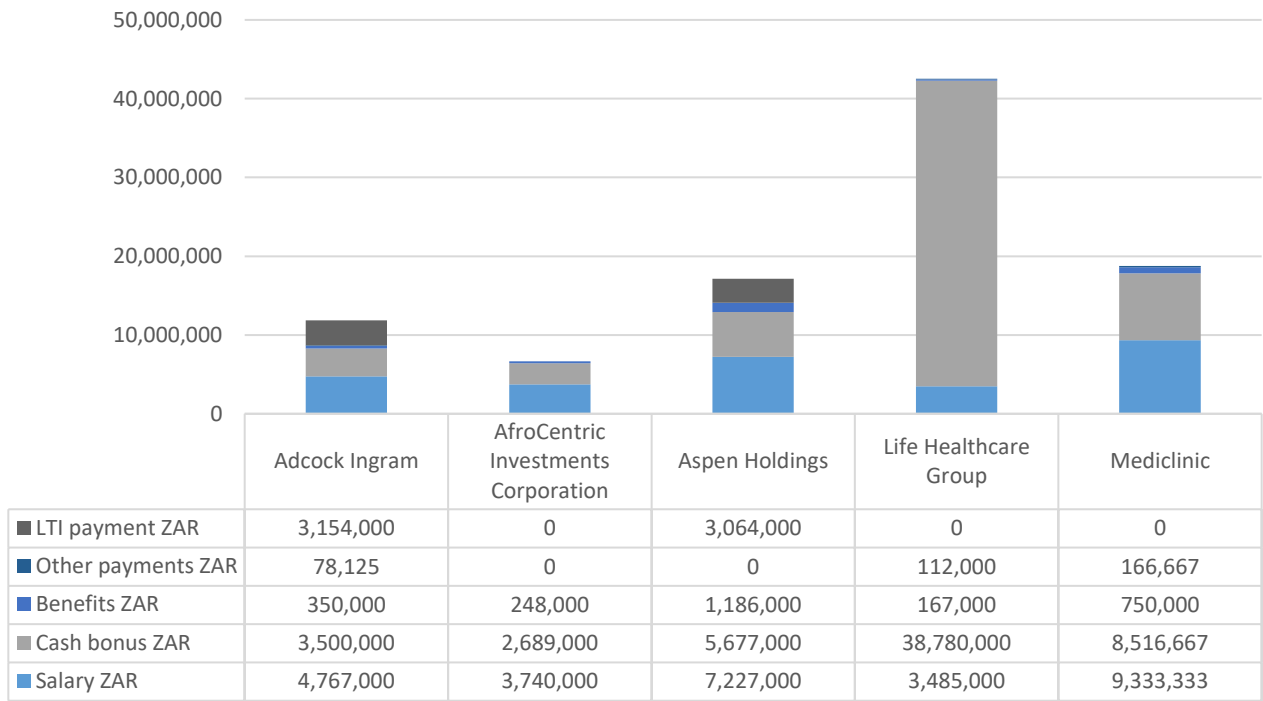
<sup>3</sup> Appointed as Managing Director – Medicross Healthcare Group on 1 October 2017.

Source: Network Healthcare Annual Report 2018

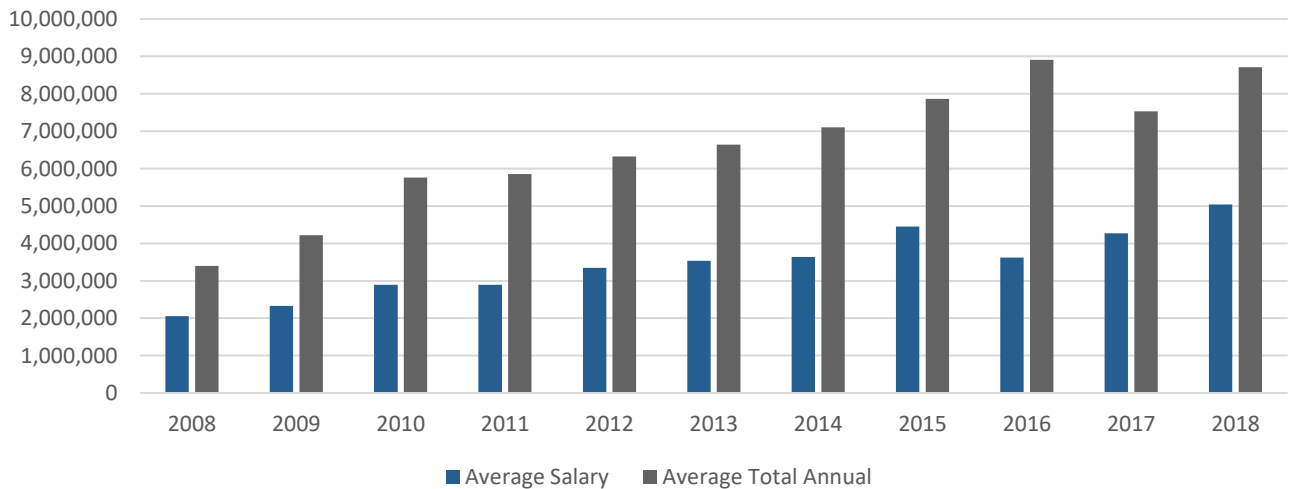
The other CEOs in this sector received an average of almost ZAR 20 million. Life Healthcare CEO Dr Shrey Viranna received a cash bonus of ZAR 38 million, bringing his total remuneration to ZAR 42.5 million.

<sup>1</sup> <https://www.businessinsider.co.za/netcare-ceo-sells-r200-million-in-shares-2019-5>

## HEALTH SECTOR CEO REMUNERATION 2018



## Health ED Remuneration 2008 - 2018



### Health NED Remuneration 2008 - 2018

