



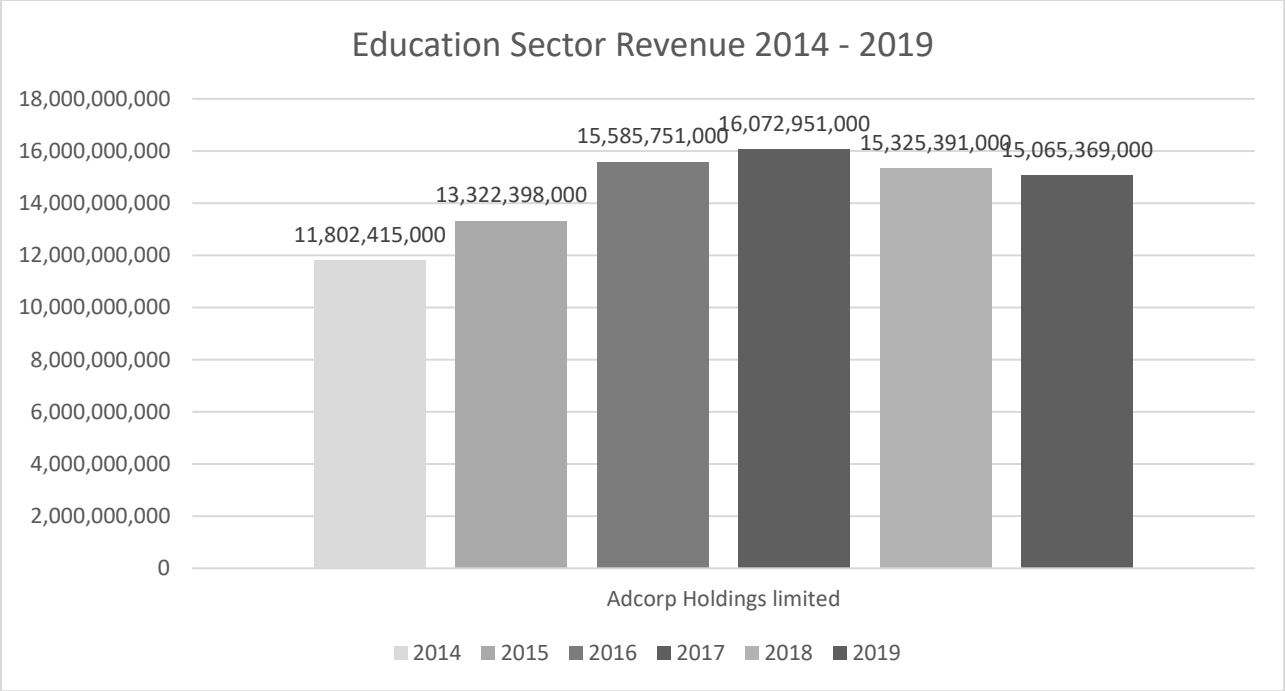
2020 Sector Report: Education, Bus, Training & Employment

Introduction

This report provides an analysis of Adcorp Holdings Limited, a company listed on the Johannesburg Stock Exchange as among the more than 20 companies under the “support services sector”. The services sector constitutes about two thirds of South Africa’s Gross Domestic Product, and Adcorp is geared toward offering industrial “labour solutions”, recruitment and professional training services.

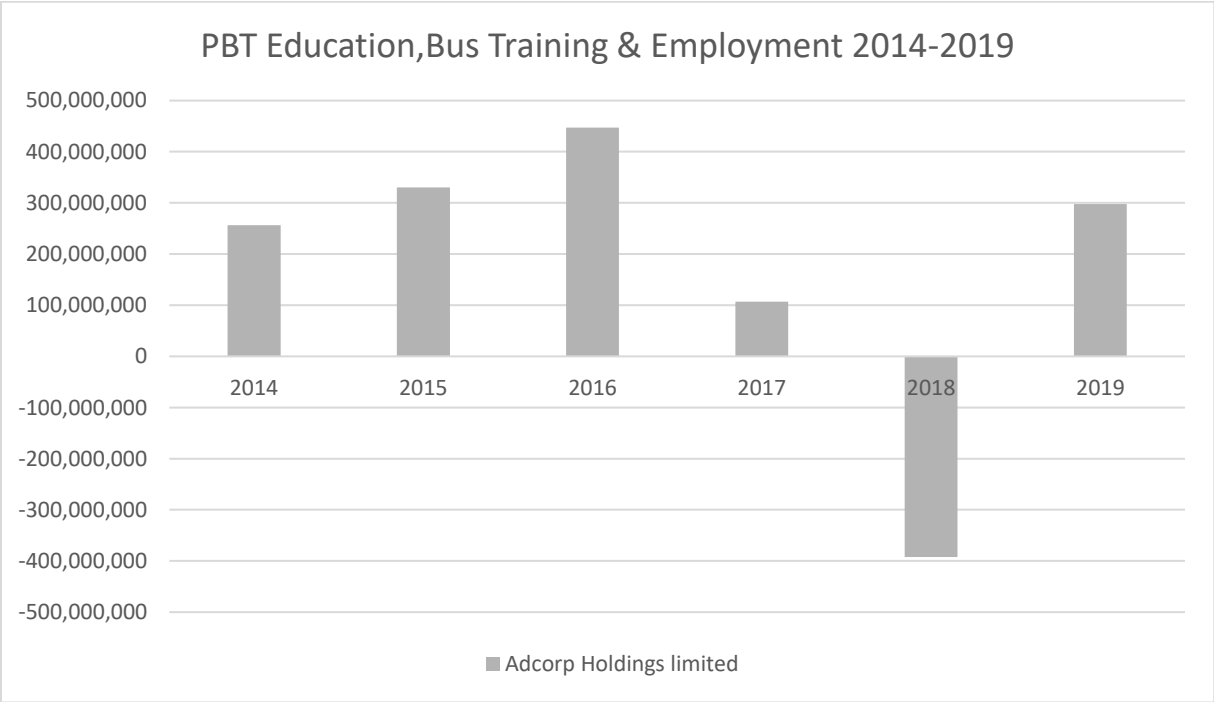
Revenue

The sector has continued to report decrease in revenue over the last three years. In 2019 it reported a revenue of R15 million in the 2019 financial year, a 1,7% decrease from the 2018 revenue figure of R15,3 million.



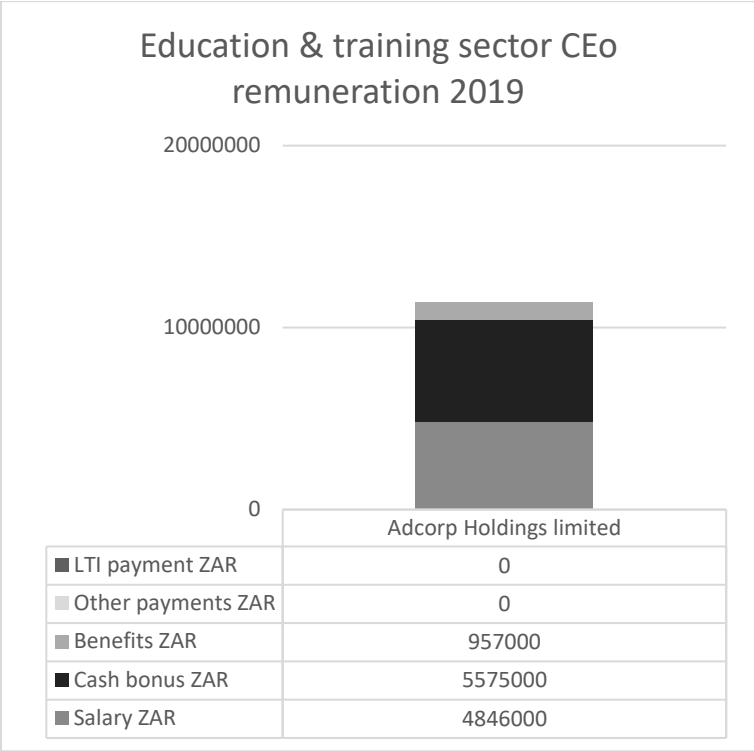
Profit before Tax

Adcorp reported a significant improvement in profitability moving from a loss of R392 million in 2018 to a profit of R297 million in 2019.

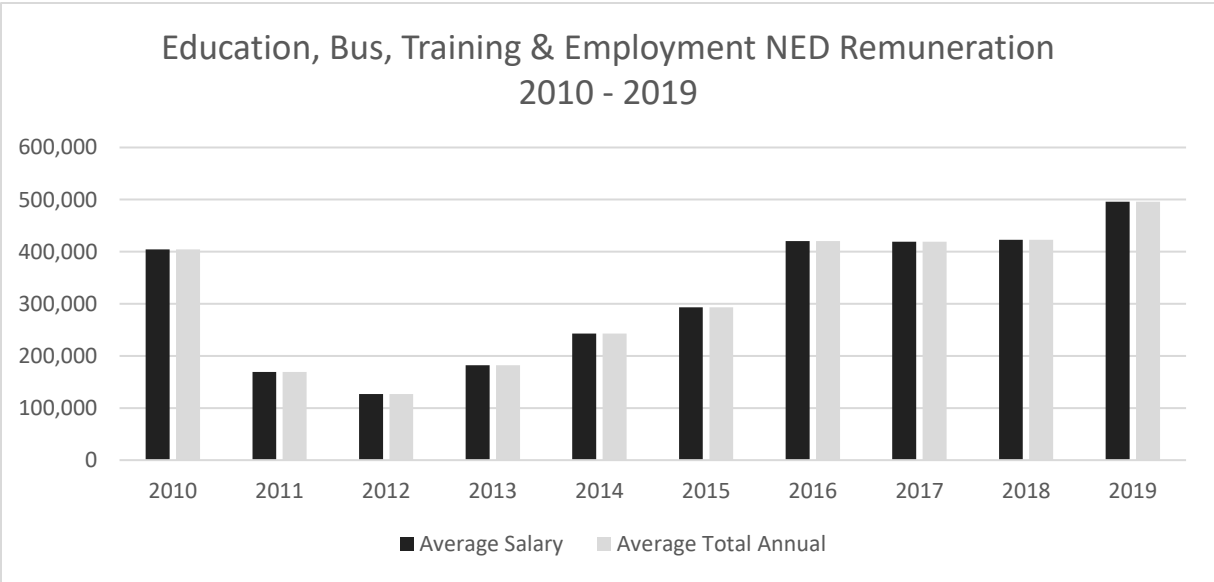
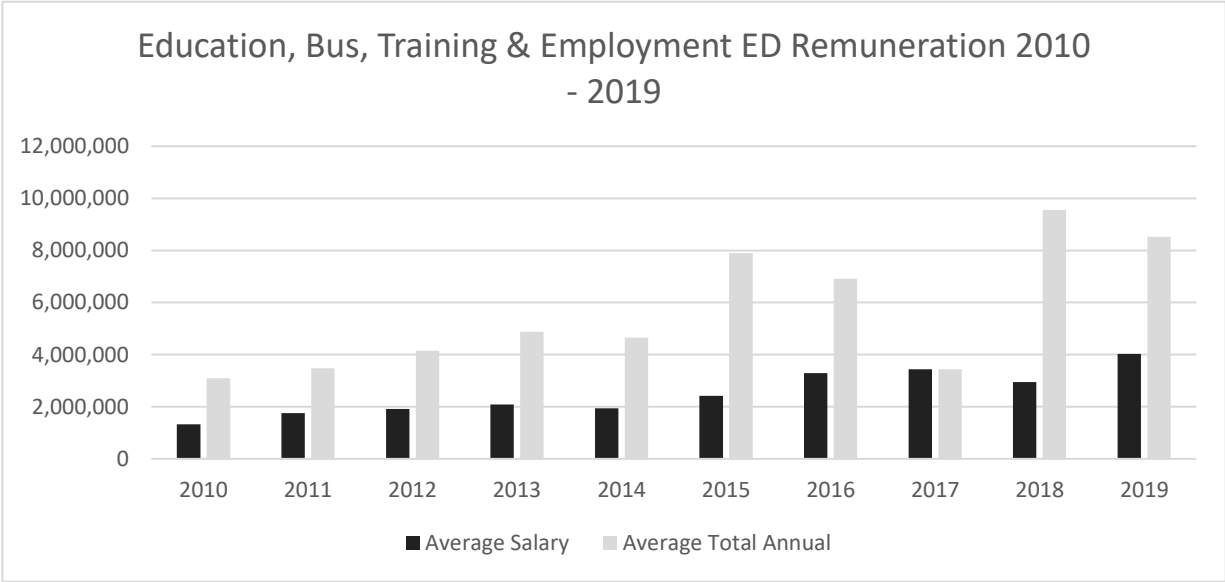


Directors' Remuneration

Adcorp's CEO received a total remuneration amount of R11,3 million largely comprised of a cash bonus and annual salary. There was no long-term incentive payment in the 2019 financial year.



The average salary of the two executive directors in the education, training and employment sector increased by 36% in the 2019 financial year from R2,9 million in 2018 to R4 million in 2019. Total remuneration for executive directors decreased by 10% from R9,5 million to R8,5 million in the 2019 financial year. On the other hand, non-executive directors' remuneration for the 10 non-executives on average increased by 17% from an annual amount of R422 643 to R600 000.



Conclusion

The Education, Bus, Training & Employment Sector in the support services sector has reported figures indicating that it is bouncing back from a poor performance in the last two financial years of 2017 and 2018. This is indicated by the fact that in 2019 it reached profit levels closer to its average in the years 2014-2016. That is partly attributed to the diversified nature of Adcorp clients and services it offers to different industries.