

# Benchmarking Indicators

JULY – DECEMBER 2024

Bi-Annual Economic and Capacity Survey  
**Medium to Micro Firms (QSM, EME)**

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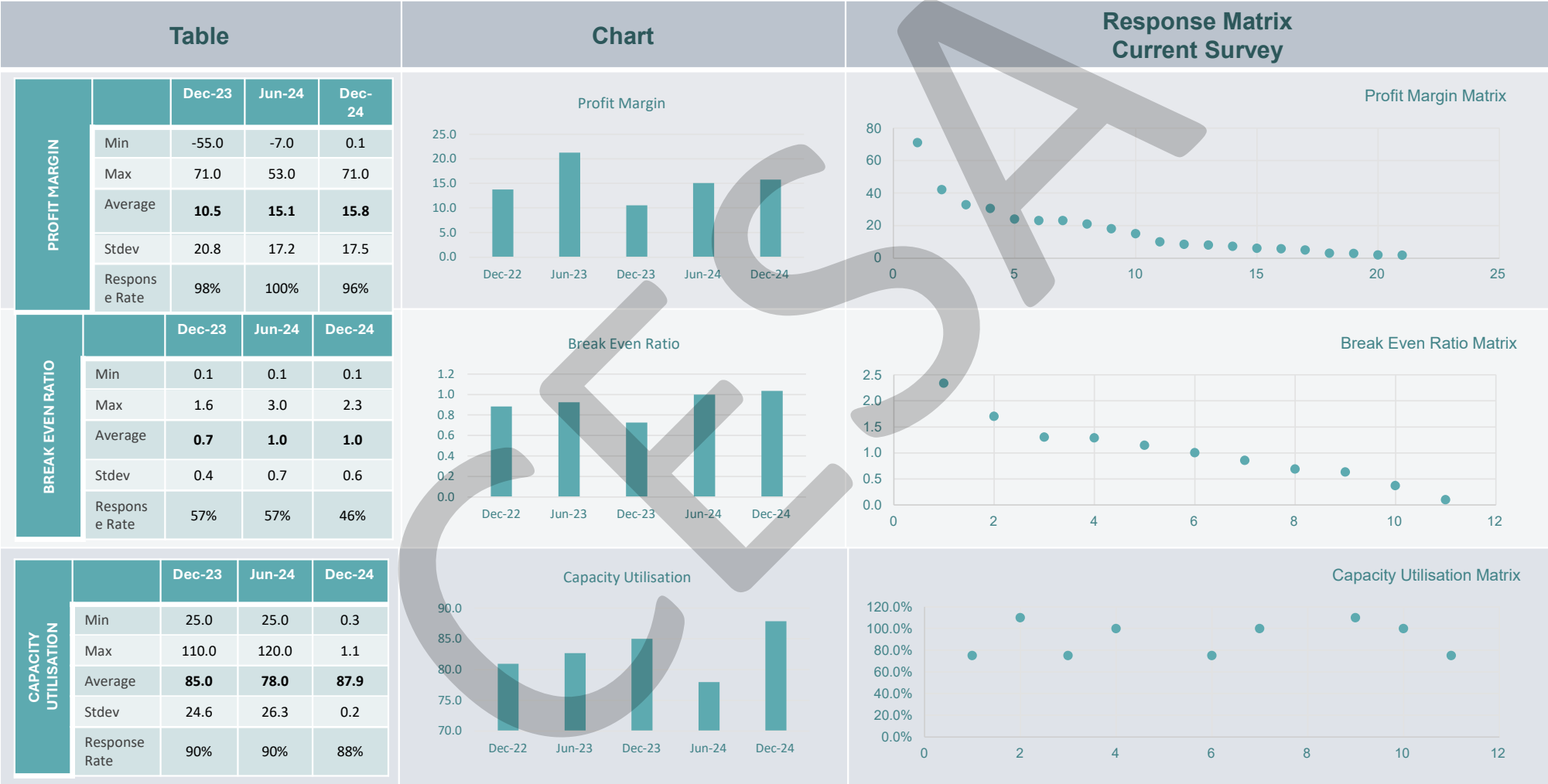
# Benchmarking Indicators

| Medium to Micro Firms (QSM, EME) |               | Jun-23 | Dec-23 | Jun-24 | Dec-24 |
|----------------------------------|---------------|--------|--------|--------|--------|
| Profit Margin %                  | Min           | -3.8   | -55.0  | -7.0   | 0.1    |
|                                  | Max           | 50.0   | 71.0   | 53.0   | 71.0   |
|                                  | Average       | 21.3   | 10.5   | 15.1   | 15.8   |
|                                  | Stdev         | 15.6   | 20.8   | 17.2   | 17.5   |
|                                  | Response Rate | 100%   | 98%    | 100%   | 96%    |
| ROWC %                           | Min           | -28.0  | n.a    | n.a    | n.a    |
|                                  | Max           | 118.2  | n.a    | n.a    | n.a    |
|                                  | Average       | 29.6   | n.a    | n.a    | n.a    |
|                                  | Stdev         | 48.5   | n.a    | n.a    | n.a    |
|                                  | Response Rate | 22.9%  | n.a    | n.a    | n.a    |
| Break Even Ratio                 | Min           | 0.1    | 0.1    | 0.1    | 0.1    |
|                                  | Max           | 1.9    | 1.6    | 22.8   | 2.3    |
|                                  | Average       | 0.9    | 0.7    | 2.2    | 1.0    |
|                                  | Stdev         | 0.5    | 0.4    | 5.2    | 0.6    |
|                                  | Response Rate | 66%    | 57%    | 60%    | 46%    |
| ROCE %                           | Min           | -29.0  | -23.9  | -23.0  | -330.0 |
|                                  | Max           | 153.0  | 80.0   | 611.0  | 446.0  |
|                                  | Average       | 27.8   | 16.8   | 57.1   | 19.7   |
|                                  | Stdev         | 37.8   | 19.8   | 140.9  | 145.7  |
|                                  | Response Rate | 77%    | 69%    | 63%    | 67%    |
| EBITDA                           | Min           | -13.0  | -51.0  | -5.4   | -28.0  |
|                                  | Max           | 63.7   | 80.0   | 72.0   | 80.0   |
|                                  | Average       | 21.0   | 11.4   | 26.0   | 15.0   |
|                                  | Stdev         | 18.6   | 25.2   | 23.4   | 30.4   |
|                                  | Response Rate | 60.0%  | 59.5%  | 43.3%  | 50.0%  |

| Medium to Micro Firms (QSM, EME)                 |               | Jun-23 | Dec-23 | Jun-24 | Dec-24 |
|--------------------------------------------------|---------------|--------|--------|--------|--------|
| WIP (Days)                                       | Min           | 14.5   | -90.0  | 1.2    | 6.2    |
|                                                  | Max           | 223.7  | 306.9  | 1345.0 | 247.9  |
|                                                  | Average       | 68.6   | 58.3   | 126.9  | 70.1   |
|                                                  | Stdev         | 63.3   | 74.1   | 293.5  | 72.5   |
|                                                  | Response Rate | 54%    | 60%    | 70%    | 63%    |
| Hours spent on marketing % of total hours worked | Min           | 0.0    | 0.2    | 0.0    | 0.1    |
|                                                  | Max           | 55.0   | 65.0   | 70.0   | 65.0   |
|                                                  | Average       | 12.5   | 18.7   | 18.4   | 18.3   |
|                                                  | Stdev         | 13.0   | 18.3   | 19.1   | 20.1   |
|                                                  | Response Rate | 77%    | 76%    | 83%    | 91%    |
| Pipeline work (%)                                | Min           | 6.1    | 12.0   | 0.0    | 0.0    |
|                                                  | Max           | 188.6  | 138.9  | 164.0  | 115.0  |
|                                                  | Average       | 73.9   | 68.1   | 63.3   | 59.0   |
|                                                  | Stdev         | 41.6   | 42.7   | 38.2   | 37.3   |
|                                                  | Response Rate | 77.1%  | 69.0%  | 73.3%  | 77.3%  |
| Capacity Utilisation                             | Min           | 25.0   | 25.0   | 0.0    | 0.3    |
|                                                  | Max           | 110.0  | 110.0  | 120.0  | 110.0  |
|                                                  | Average       | 82.7   | 85.0   | 78.0   | 87.9   |
|                                                  | Stdev         | 24.3   | 24.6   | 34.5   | 0.2    |
|                                                  | Response Rate | 94%    | 90%    | 100%   | 88%    |
| Return on Staff Employed %                       | Min           | -3%    | -65%   | 0%     | 1%     |
|                                                  | Max           | 230%   | 131%   | 242%   | 229%   |
|                                                  | Average       | 51%    | 21%    | 24%    | 43%    |
|                                                  | Stdev         | 57%    | 40%    | 74%    | 59%    |
|                                                  | Response Rate | 77%    | 79%    | 83%    | 83%    |

Note: As of June 2024, survey indicators refer to Qualifying Small Enterprises (QSM) and Exempt Micro Enterprises (EME) according to BBBEE classifications, rather than a classification by the number of employees.

# Benchmarking Indicators



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# Explanatory Notes

- Only Including firms that have a total staff compliment (including full time and other staff) of more than 100
- Profit Margin: Total income less direct and indirect costs
- Direct Costs: Total client project salary cost plus external project expenses
- Indirect Costs: All productive employment costs, outsourcing costs, group overhead chargers etc, but excluding finance charges
- WIP: Work in progress in days, calculated as “WIP as at date of reporting / (Direct + Indirect costs) x reporting days”
- ROWC: Return on Working Capital. Annual profit after interest and tax as percentage of net working capital (assets less liabilities)
- ROCE: Return on capital employed (Capital = Assets and Liabilities)
- EBITA: Earnings before deduction of interest, tax, and amortisation expenses. Measurement of efficiency and profitability
- Marketing: Hours spent on marketing including bidding and preparation of proposals as percentage of total hours worked
- Pipeline work: Fee value of secured appointments at the end of the reporting period vs the start of the reporting period, expressed as a percentage
- Capacity utilisation of existing technical staff.
- Return on staff employed: Profit as percentage of total salary and wage bill as an indicator of return of staff employed. Salary and wage bill is the largest expense for an engineering firm.
- Break Even Ratio : Gross income / Breakeven Revenue
  - (Breakeven Revenue = (Operating expenses/GP%)