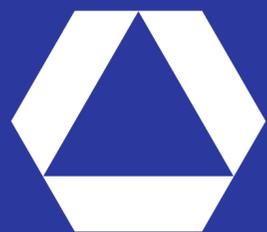


CIF OUTLOOK SURVEY

QUARTER 2 2023



**CONSTRUCTION
INDUSTRY
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Background & Objectives

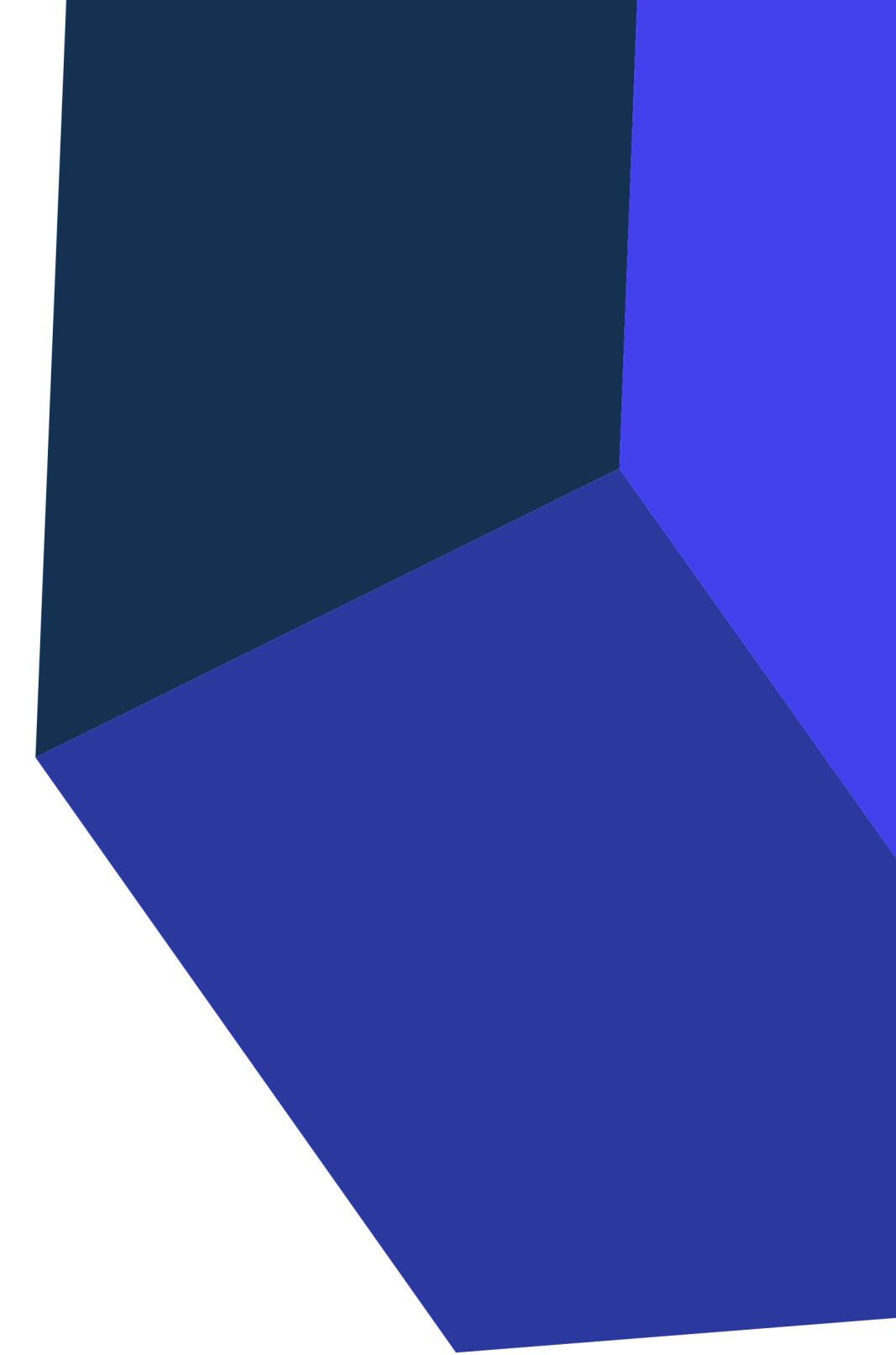
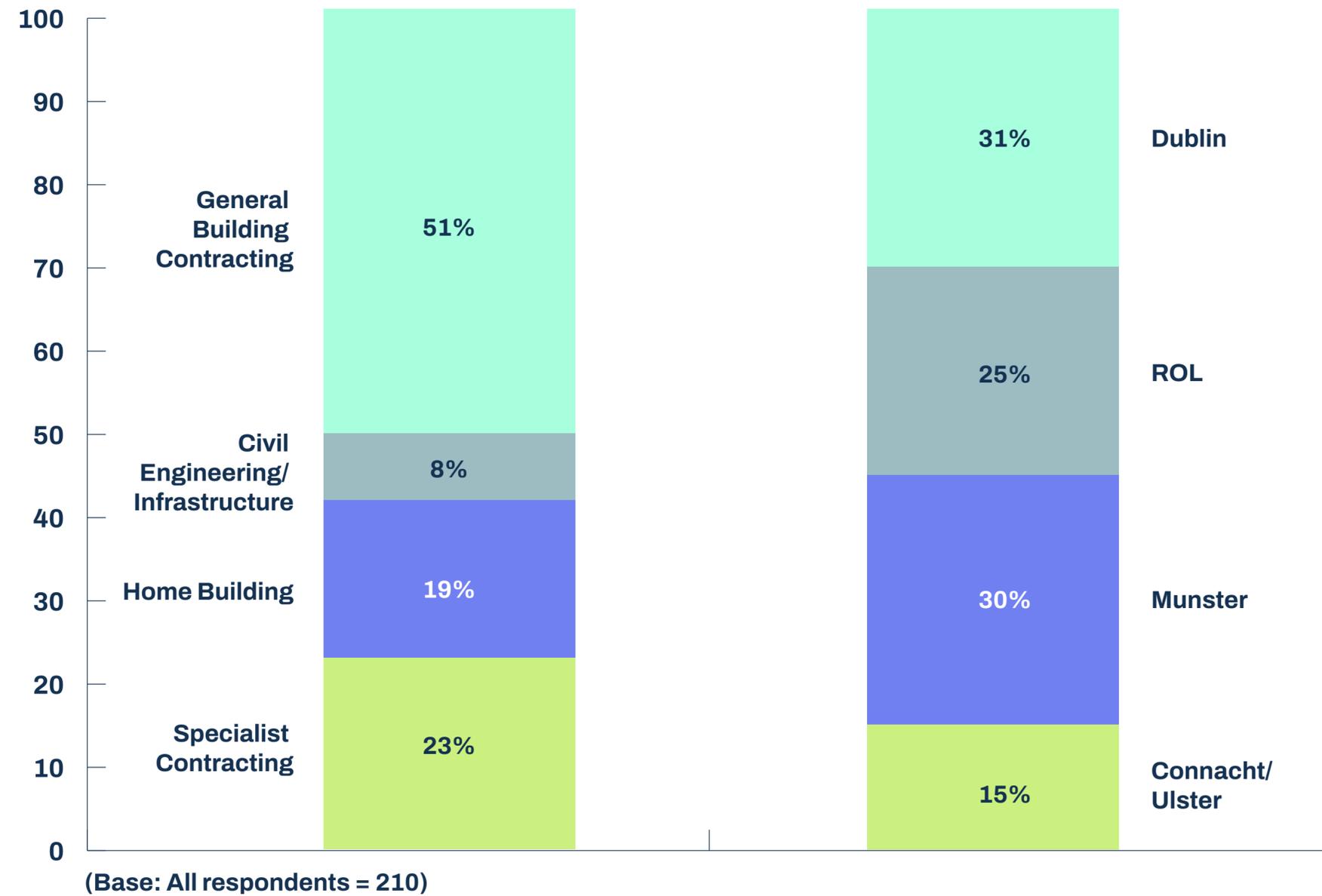
- ▶ To provide the CIF with an ongoing tracker of members' sentiment towards the current and future performance of the construction sector
- ▶ The survey measures the performance of the sector in the previous quarter (April-June 2023) and the likely future performance of the sector in the next 3-month period (July-September 2023)
- ▶ Key sectoral issues benchmarked per quarter include:
 - Business turnover
 - Revenue generated by new orders
 - Employment levels
 - Cost of labour
 - Cost of raw materials
 - Pricing charged for goods and services
 - Key challenges facing employers
- ▶ In addition, the survey examined members attitudes towards a number of issues impacting the sector

Methodology

- ▶ Research was conducted via an **online survey with 210 CIF members**
- ▶ **A sample of 210 companies** was achieved which delivers a margin of error of approximately (+ or – 6%)
- ▶ All surveys were conducted between **12th-19th July 2023**

KEY FINDINGS

Sample Breakdown By Company Category



Business Turnover Last 3 Months v Next 3 Months



34%

of companies report turnover having increased in Q2 compared with the same period in 2022

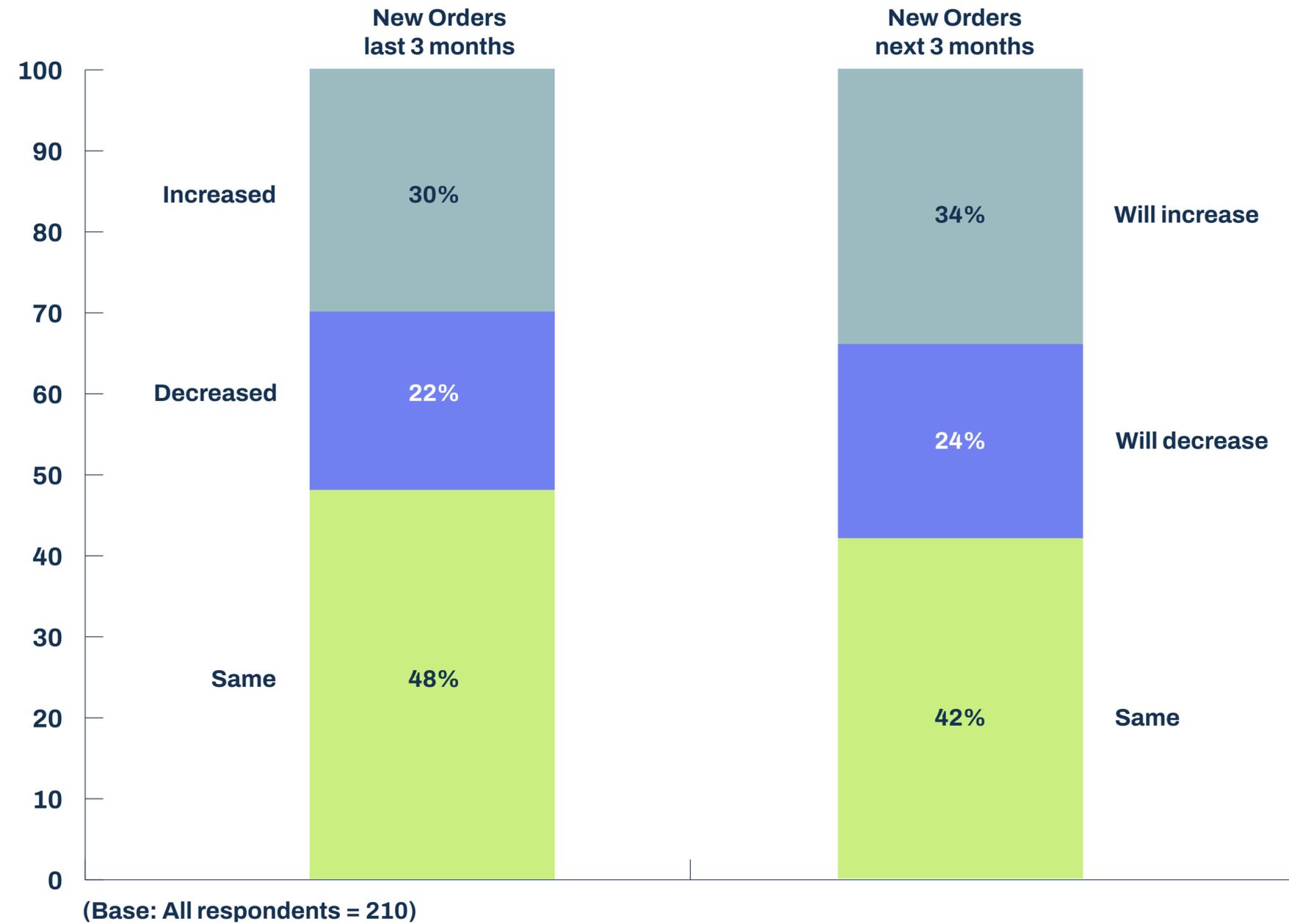
33%

also anticipate an increase in turnover for Q3

Q2 In the last 3 months (April, May, June 2023) has the total **business turnover for your company increased, decreased or stayed the same compared with the same period in 2022?**

Q3 Thinking now about the next 3-month period (July-September 2023), do you **expect total business turnover** for your company to increase decrease or stay the same compared with the previous 3 months of 2023? **(April-June 2023)**

New Orders Last 3 Months v Next 3 Months



30%

of companies report a YOY revenue increase from new orders in Q2

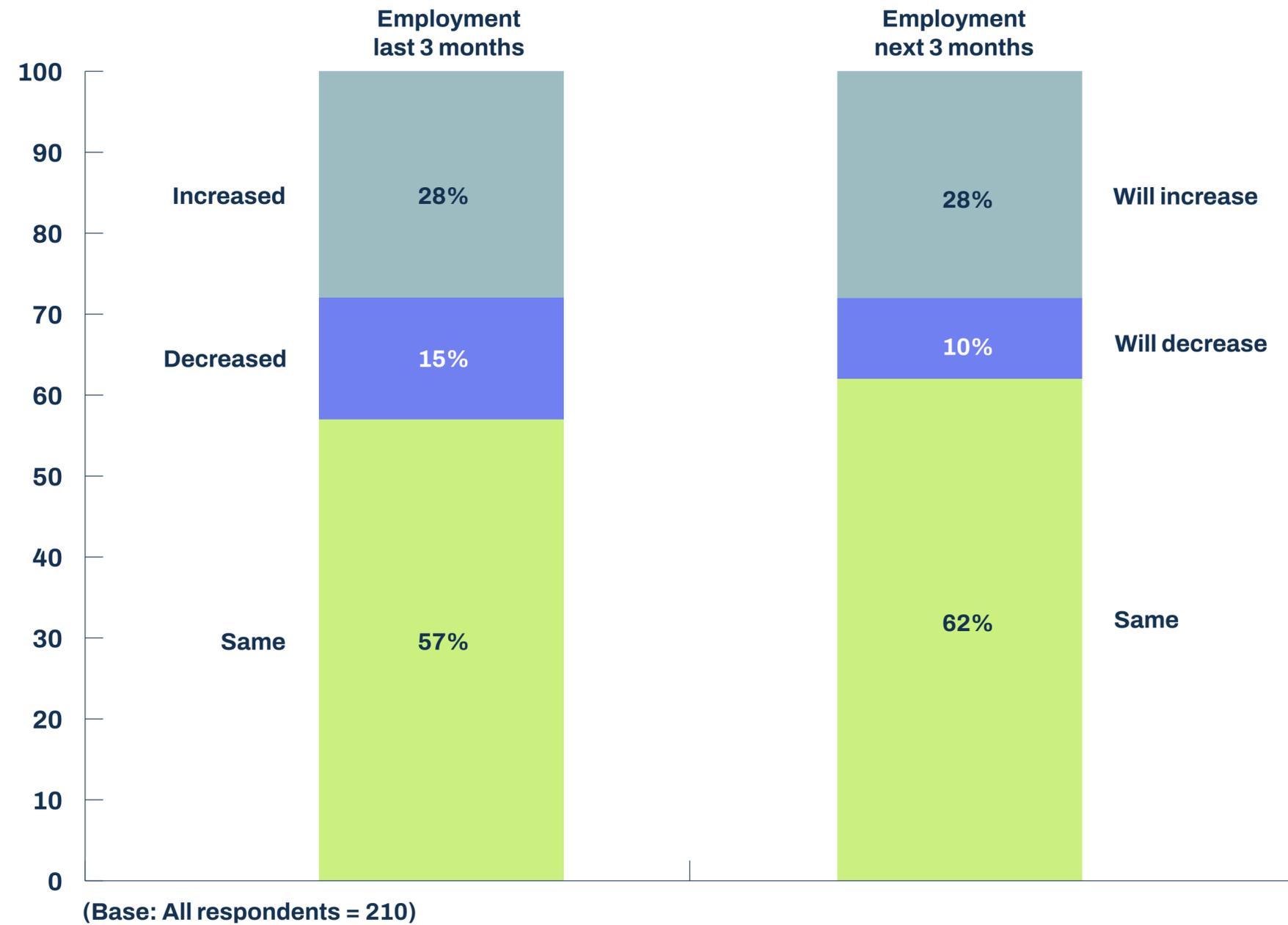
34%

expect revenue from new orders to continue to increase in Q3

Q4 In the last 3 months (April-June 2023), has the total revenue generated by new orders for your company for the period increased, decreased or stayed the same compared with the same period in 2022?

Q5 In the next 3 months (July-September 2023) do you expect the total revenue generated by new orders for your company to increase, decrease or stay the same compared with the previous 3 months? (April-June 2023)

Employment Last 3 Months v Next 3 Months



28%

report a year on year increase in the total number of people they employ

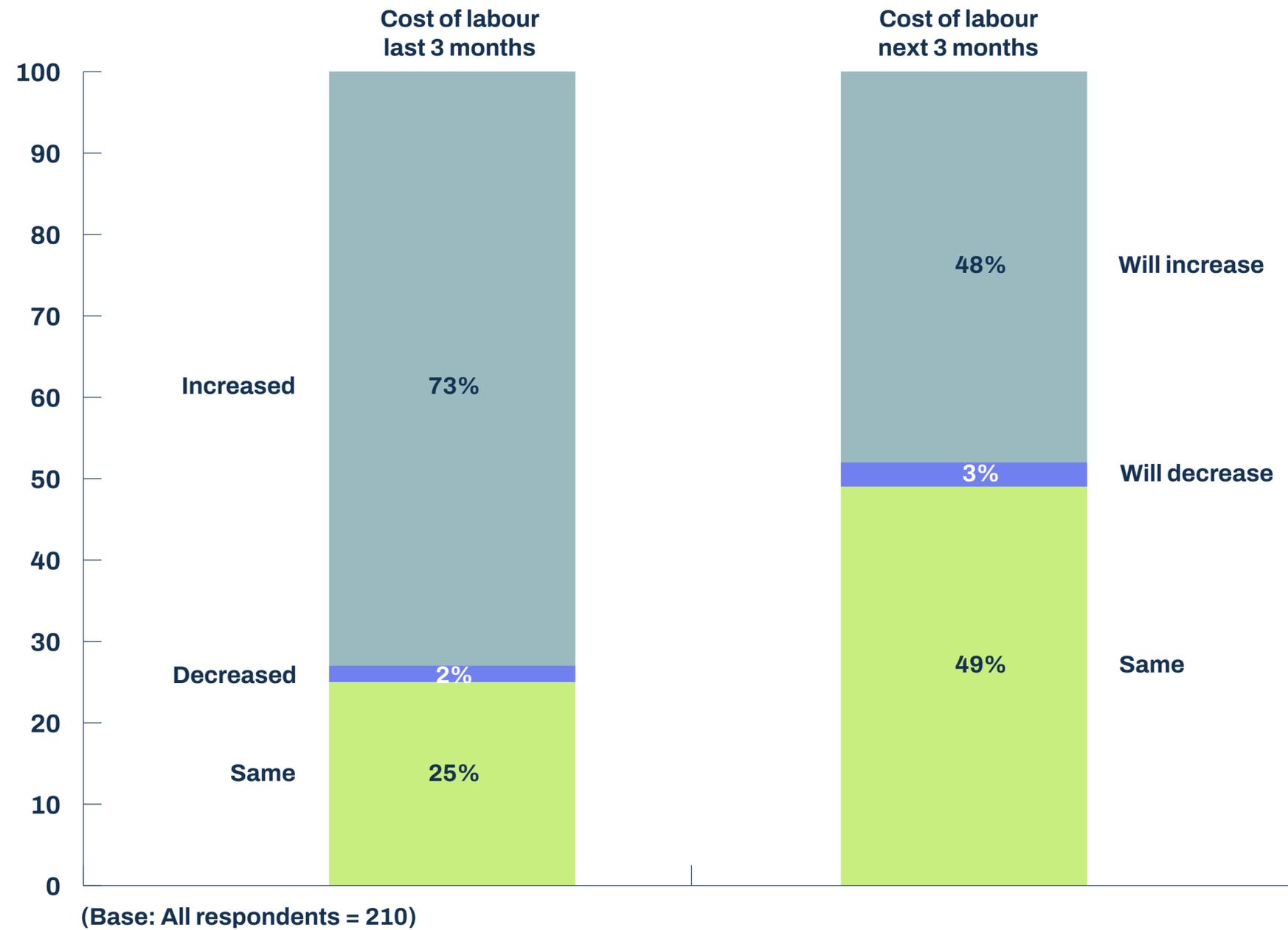
28%

While 28% also expect to employ more staff in the coming months

Q6 In the last 3 months (April-June 2023), has the total number of people you employ (directly or indirectly) increased, decreased or stayed the same compared with the same period in 2022?

Q7 In the next 3 months (July-September 2023) do you expect the total number of people you employ (directly or indirectly) in your company to increase, decrease or stay the same compared with the previous 3 months? (April-June 2023)

Cost of Labour Last 3 Months v Next 3 Months



73%

acknowledge an increase in the cost of labour YOY in Q2

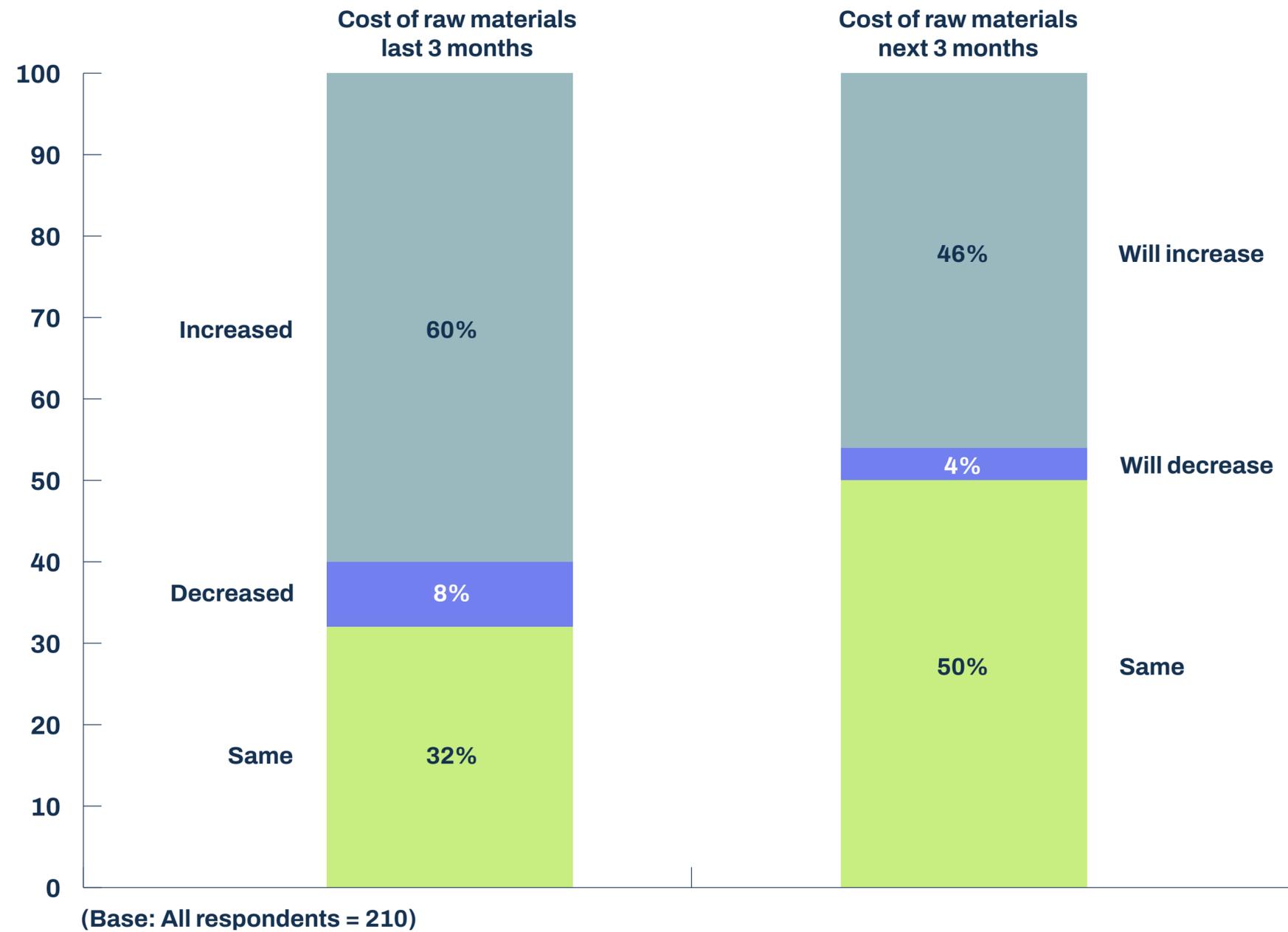
48%

expect the cost of labour to increase in Q3

Q8 In the last 3 months, has the cost of labour for your company increased, decreased or stayed the same compared with the same period in 2022?

Q9 In the next 3-months, do you expect the cost of labour to increase, decrease or stay the same compared with the previous 3 months? (April, May, June 2023)

Cost of Raw Materials Last 3 months v Next 3 months



60%

report a YOY increase in the cost of raw materials

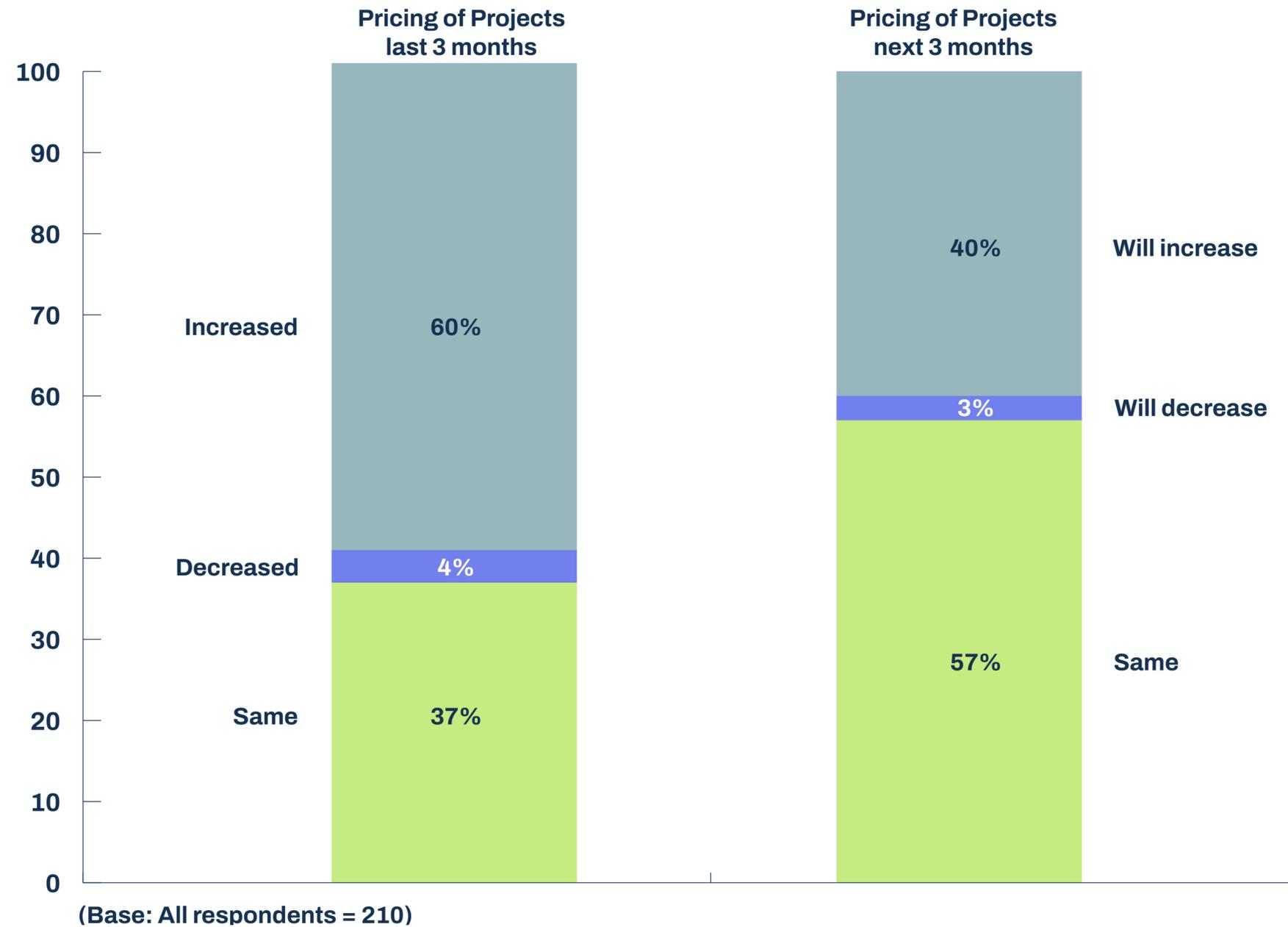
46%

expect the cost of raw materials to continue to increase

Q10 In the last 3 months, has the cost of raw materials for your company increased, decreased or stayed the same compared with the same period in 2022?

Q11 In the next 3 months, do you expect the cost of raw materials for your company to increase, decrease or stay the same compared with the previous 3 months (April, May, June 2023)?

Pricing of Projects Last 3 months v Next 3 months



60%

acknowledge an increase in the pricing of projects compared with 2022

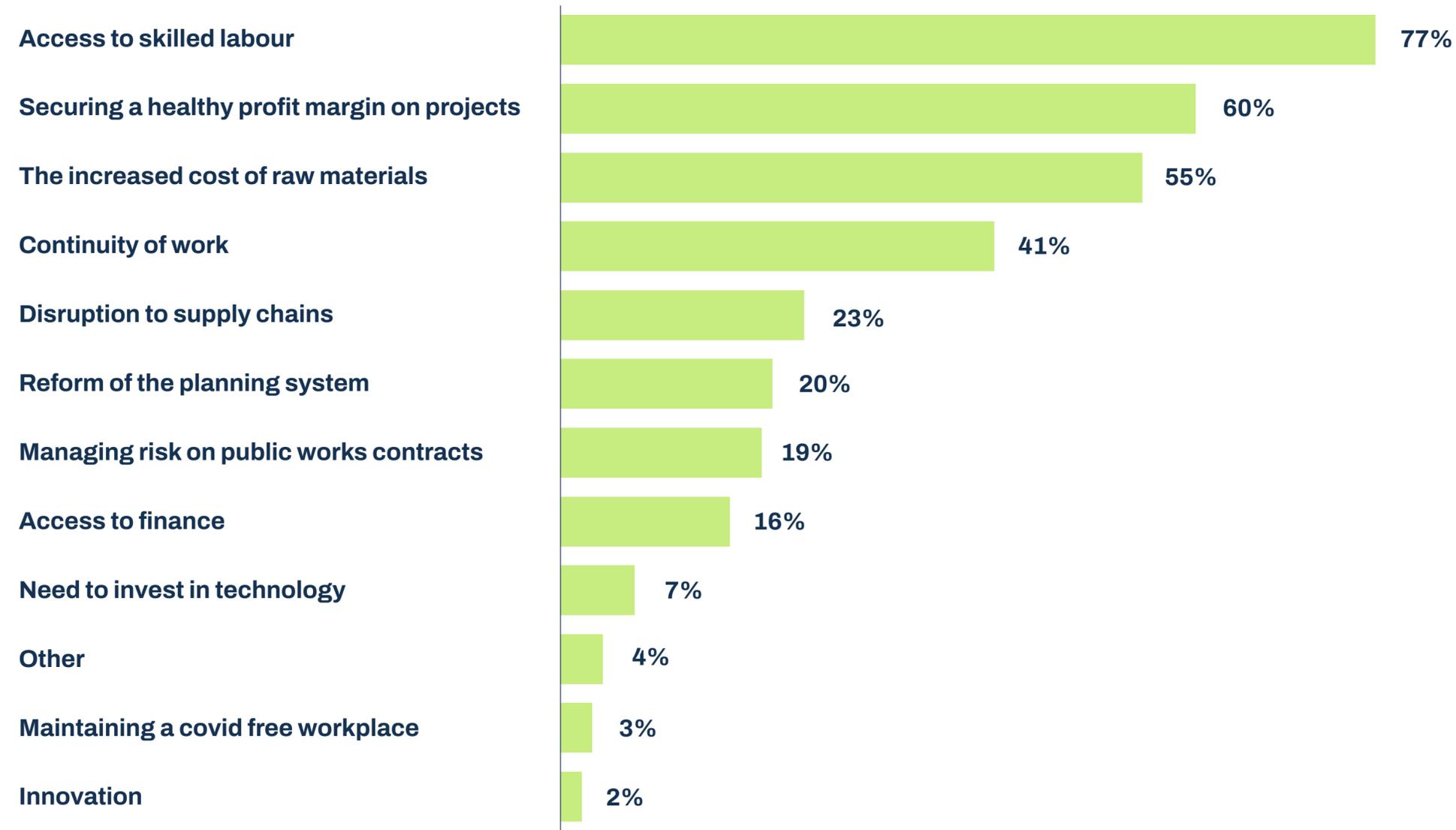
40%

expect the prices charged to increase in Q3

Q12 In the last 3 months, has the price you charge for goods and services for the period increased, decreased or stayed the same compared with the same period in 2022?

Q13 In the next 3 months, do you expect the price you charge for goods and services for your company to increase, decrease or stay the same compared with the previous 3 months? (April, May, June 2023)

Key Challenges

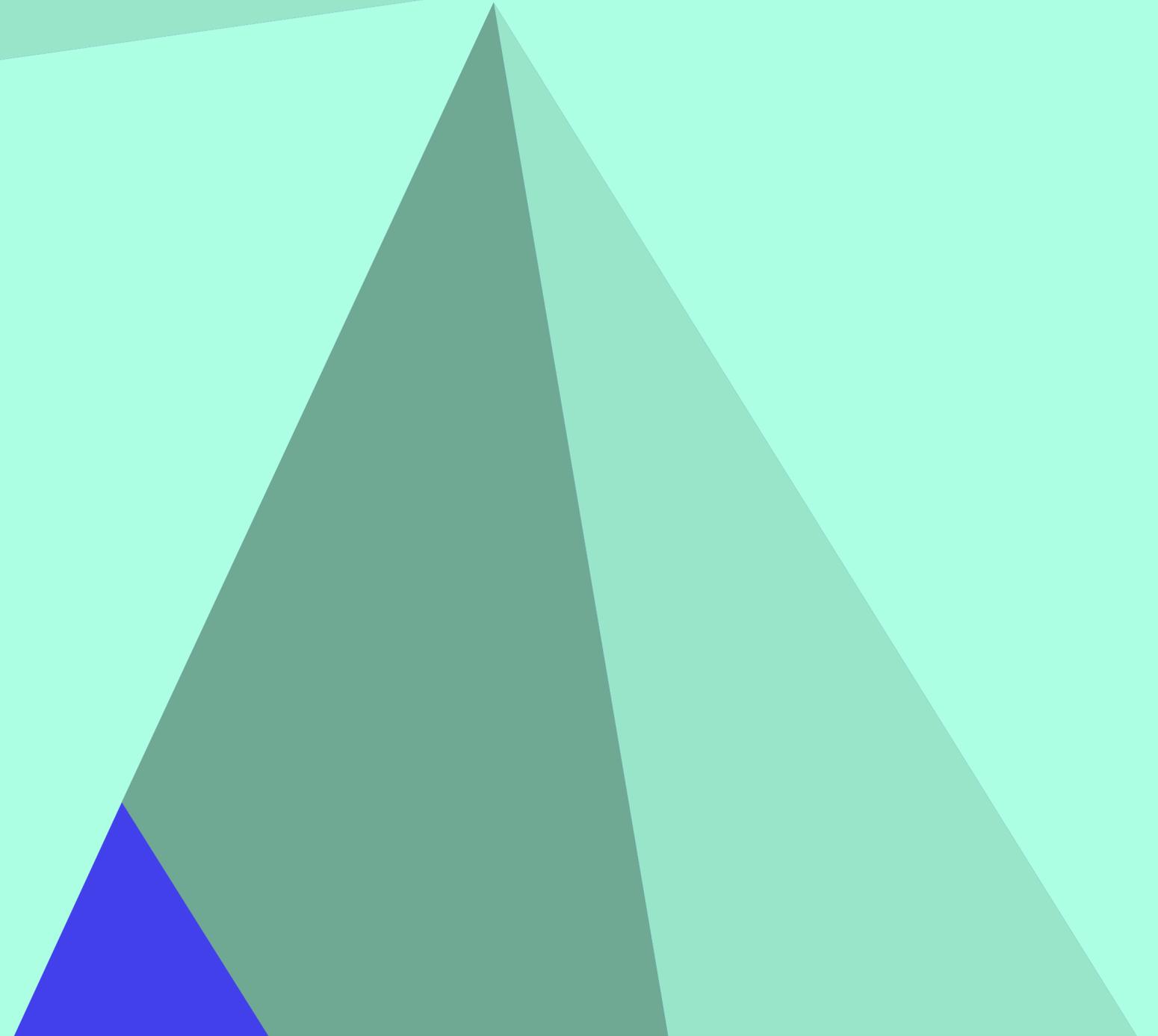


(Base: All respondents = 210)

Q14 What if any, are the key challenges facing your business over the next 3-6 months?

Access to skilled labour, securing a healthy profit margin on projects, and the increased cost of raw materials are the 3 most significant challenges

CONCLUSIONS



Conclusions

34%

acknowledge an increase in turnover YOY in Q2 with 33% expecting turnover to continue to increase in Q3

28%

report an increase in the total number of people they employ with 28% expecting the trend to endure over the next 3 months

73%

experienced a YOY increase in the cost of labour with 48% expecting the trend to persist

60%

report a YOY increase in the cost of raw materials with 46% anticipating the trend to continue into Q3

Conclusions

Increasing costs continue to impact the pricing on projects with 60% acknowledging a YOY increase & 40% expecting continued increases in 2023

Access to skilled labour (77%), securing a healthy profit margin (60%) and the increased cost of raw materials (55%) remain the 3 most significant challenges



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THANK YOU