



Vehicle Sales

11 Mar '21

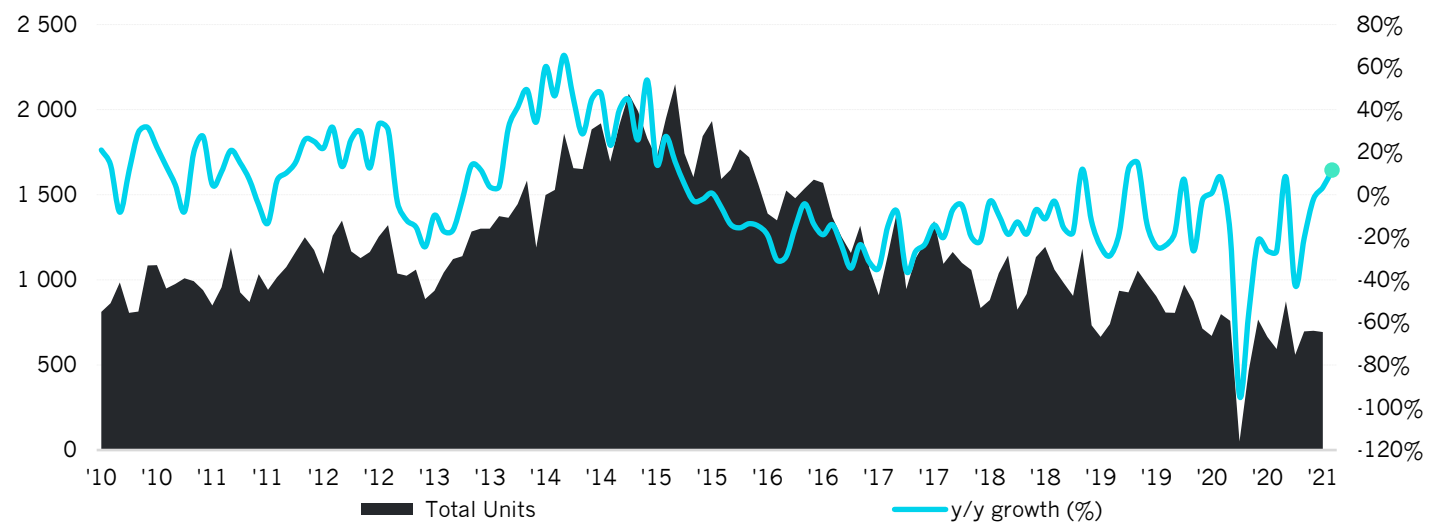
February 2021

February saw vehicle sales increased 28.4% m/m and 11.5% y/y. This amounted to 891 new vehicles sold in Feb '21, the largest positive growth posted since May '19 although off a relatively small base.

Commercial vehicle sales increased on both a monthly and annual basis, with respective growth of 42.2% and 6.6% - totalling 482 vehicles sold. Similarly, new passenger vehicle sales also increased both on m/m and y/y, growing by 15.2% and 17.9%, respectively, amounting to 409 passenger vehicles sold.

Total Vehicle Sales

891 new vehicles were sold in February with annual growth of 11.5%

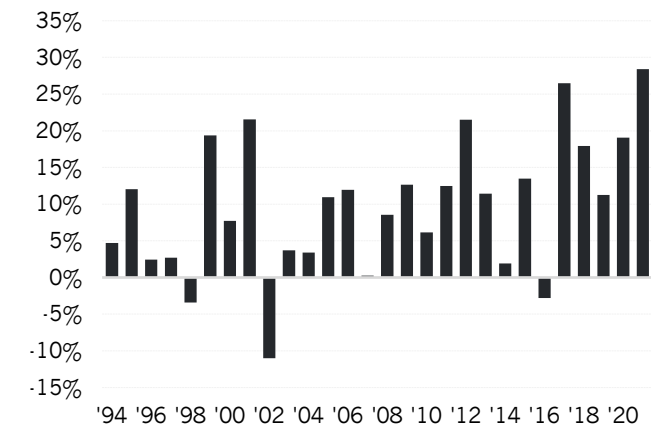


Source: Cirrus Securities, Lightstone Auto

The improvement in vehicle sales is not surprising, as February sales historically been strong, with a high level of statistical significance.

Month-on-month February Growth

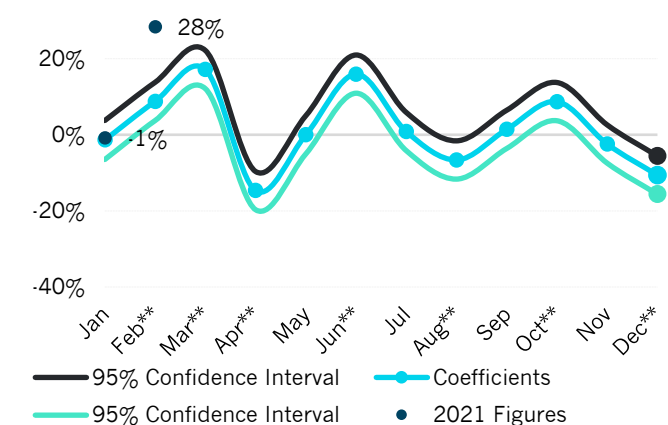
Since 1994, February sales predominately positive



Source: Company data, Cirrus

Vehicle Sales Seasonality

February shows statistically stronger vehicle sales



Source: Company data, Cirrus

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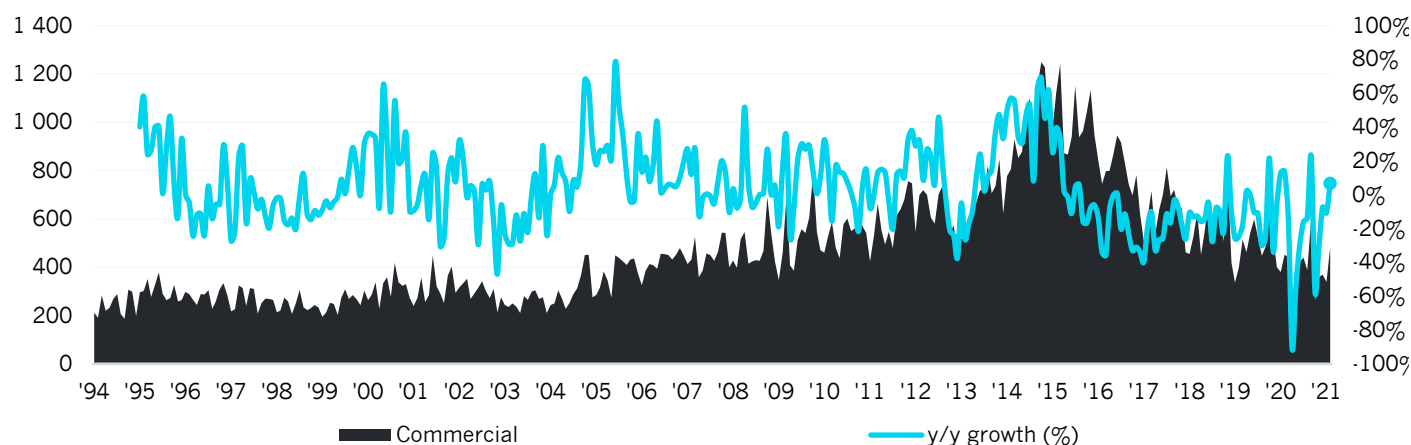


Vehicle sales are expected to rebound in '21, largely due to base effects as business operations normalize after abrupt disruptions in response to the pandemic last year. Moreover, vehicle sales growth will be aided by the release of pent-up demand created in '20. Despite these expected boosts to demand for new vehicles, the growth in new vehicle sales will remain slow as compared to '19, given weak tangible demand by households and businesses. This is because many households remain at risk of retrenchments, are constrained by high debt levels (relative to disposable income), and face greater difficulty accessing finance given the riskier macro environment.

Commercial Vehicles

Commercial Vehicles

482 Commercial vehicles were sold in February with annual growth of -10.8%



Source: Cirrus Securities, Lightstone Auto

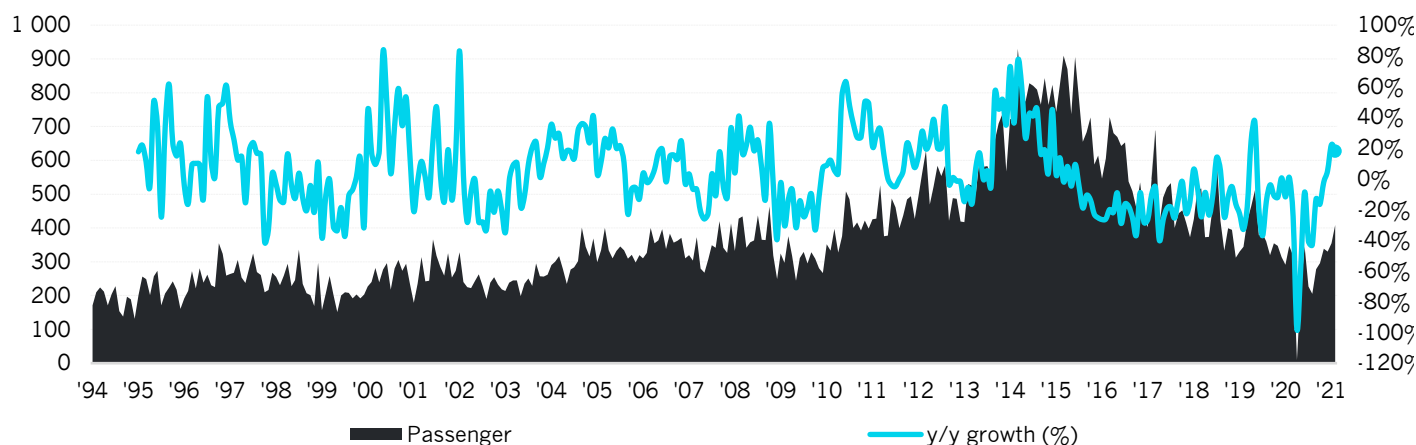
A total of 482 new commercial vehicles were sold in February, a 6.6% decrease y/y. However, commercial vehicle sales saw significant growth of 42.2% m/m. This strong growth is indicative of released pent up demand released into the economy as things normalise over the year.

Light commercial vehicle (LCV) sales increased both on a monthly and annual basis, with growth of 33.6% and 4.1%, respectively. A total of 13 medium commercial vehicles were sold in February, representing growth of -38.1%. Finally, 11 heavy commercial vehicles, 55 extra-heavy vehicles (previous: 19 and the most since September 2015) and 1 bus were sold in January. The surprising increase in extra-heavy vehicle sales suggests an uptick in industrial activity.

Passenger Vehicles

Passenger Vehicles

409 Passenger vehicles were sold in February with annual growth of 17.9%



Source: Cirrus Securities, Lightstone Auto

A total of 409 passenger vehicles were sold in February. This resulted in growth of 15.2% m/m and 17.9% y/y. This is the



second consecutive month of strong annual growth in the category. Base effects are expected to see passenger vehicle sales improve during '21. However, passenger vehicles will remain subdued on a normalised basis partly because of an increase in cheaper substitutes available on the market, but also due to weaker balance sheets of households as high household debt, high unemployment constrained incomes persist. Should a meaningful rebound in the tourism take longer than many operators expect, we may see continued de-fleeting by rental agencies for several months – thereby adding to the supply of cheaper alternatives.



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