



Vehicle Sales

13 Apr '21

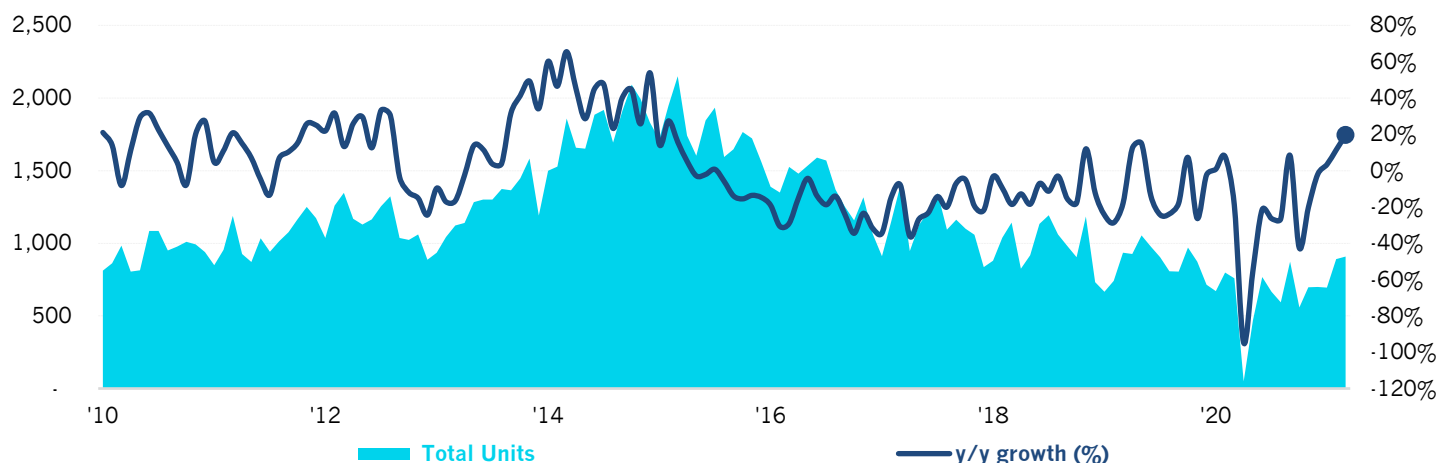
March 2021

Vehicle sales increased by 1.9% m/m, and 19.6% on an annual basis in Mar '21. On a quarterly basis, vehicles sales saw a 27.4% growth in Q1 '21 compared to Q4 '20 – further illustration of pent-up demand releasing in the market – and 11.8% in comparison to Q1 '20. Vehicles sold in Mar '21 totalled 908.

Vehicle sales in Mar '21 amounted 908, which constitutes a marginal m/m increase of 1.9% and 19.6% growth y/y; the highest annual growth witnessed since Mar '13. March historically sees the highest sales growth on a monthly basis, but due to the considerable growth in Feb '21 of 28.4% – largely attributed to the 42.2% growth in commercial vehicles in Feb '21 – Mar '21 sales had a relatively high base. Commercial vehicle sales increased by 24.9% and 14.3% m/m, which amounts to 551 vehicles sold. Passenger vehicle sales decreased 12.7% m/m, while outselling Mar '20 by 12.3%. Prior to Mar '21, Passenger Vehicles outsold Light Commercial Vehicles (LCV) for 5 months, the longest streak since 2003. Year on year figures ought to be taken with a grain of salt, as Namibia declared a state of emergency on 17 Mar '20, and entered full lockdown on 28 Mar '20, which indubitably muted consumer activity.

Total Vehicle Sales

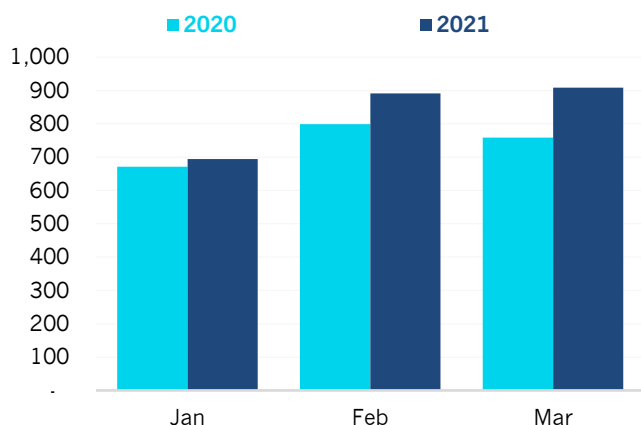
908 Vehicles were sold in Mar '21 with 19.6% annual growth.



Source: Cirrus Securities, Lightstone Auto

Month-on-month Q1 '21 Growth

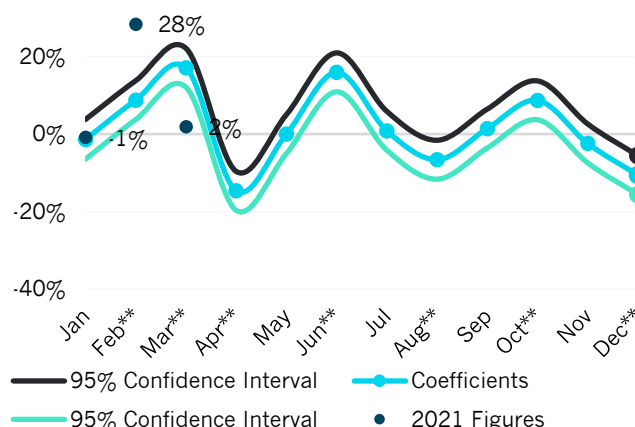
Mar '21 marks the third consecutive month of positive growth



Source: Company data, Cirrus

Vehicle Sales Seasonality

March shows statistically stronger vehicle sales,



Source: Company data, Cirrus

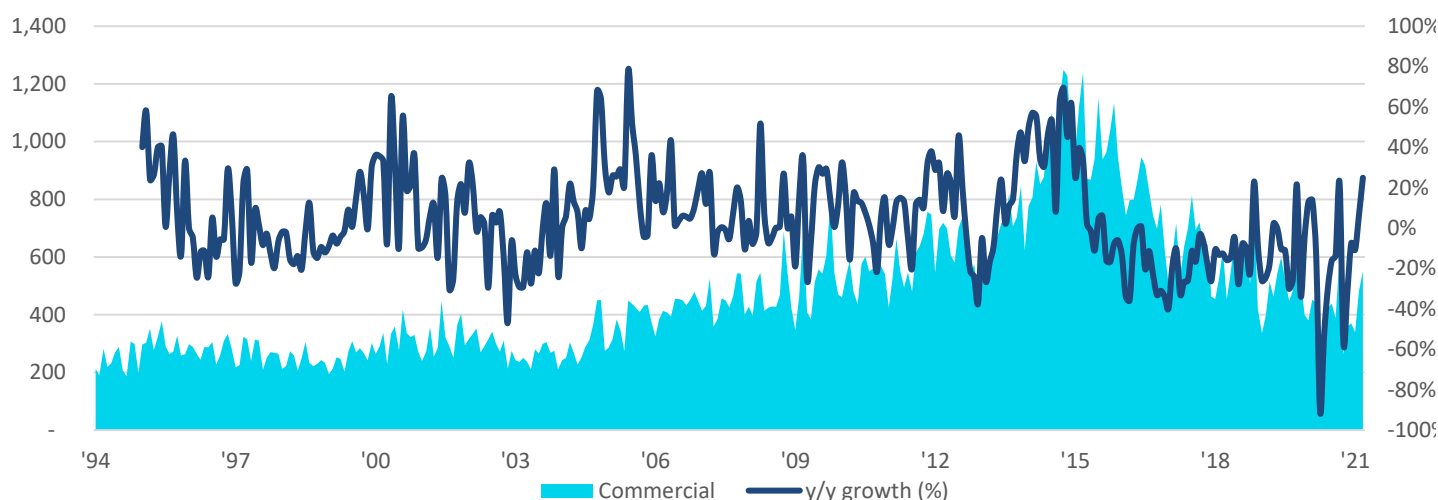


Due to the release of pent-up demand witnessed in Feb '21, growth in Mar '21 is rather muted, but Q1 '21 vehicles sales are comparatively strong. In Q1 '21, vehicle sales increased by 27.4% compared to Q4 '20 and 11.8% compared to Q1 '20. This is the first positive quarterly growth witnessed since Q2 '19. This trend is expected to continue due to the unique circumstances in '20, however Q1 '20 represents the last quarter without major extrinsic forces. As business operations return, vehicle sales are expected to rebound in '21, as illustrated by the high commercial vehicle sales witnessed thus far. Notwithstanding the expected synthetic demand for new vehicles, sales will remain somewhat subdued (compared to '19), due to the slow economic recovery. Households remain constrained by high debt levels (relative to disposable income) and face greater difficulty accessing finance given the riskier macro environment, while Government forecast lower vehicle spending for FY '21/22.

Commercial Vehicles

Commercial Vehicles

551 Commercial vehicles were sold in Mar '21 with annual growth of 24.9%%

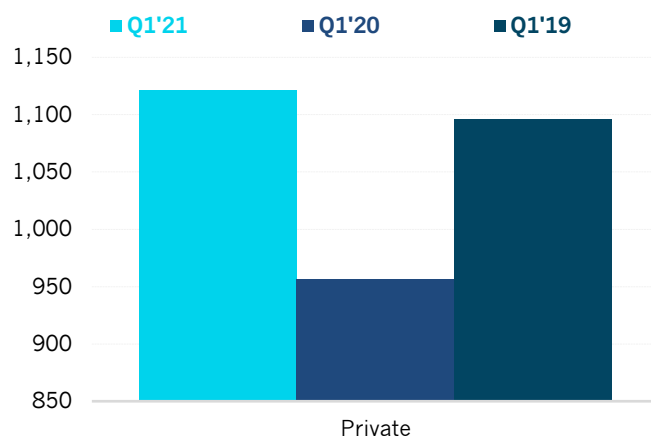
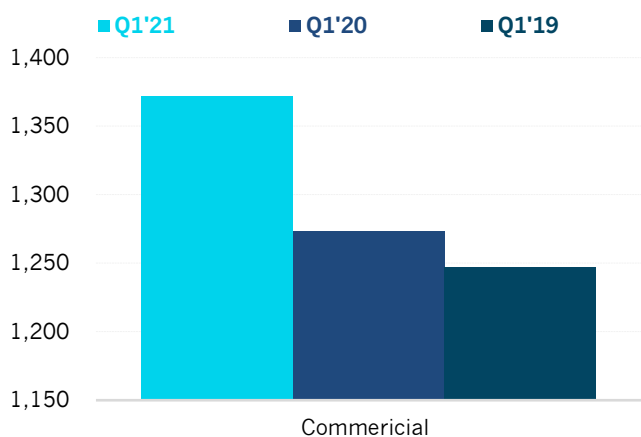


Source: Cirrus Securities, Lightstone Auto

Commercial vehicles sales increased to 551 in Mar '21 from 482 in Feb '21. This represents a 14.3% increase m/m and 24.9% growth y/y. These strong growth figures are on the back of already high figures in Feb '21, and further indicate the release of pent-up demand as business operations begin to normalize.

Commercial and Passenger Vehicle Sales q/q Comparison

Q1'21 vehicle sales are 11.8% higher than Q1'20



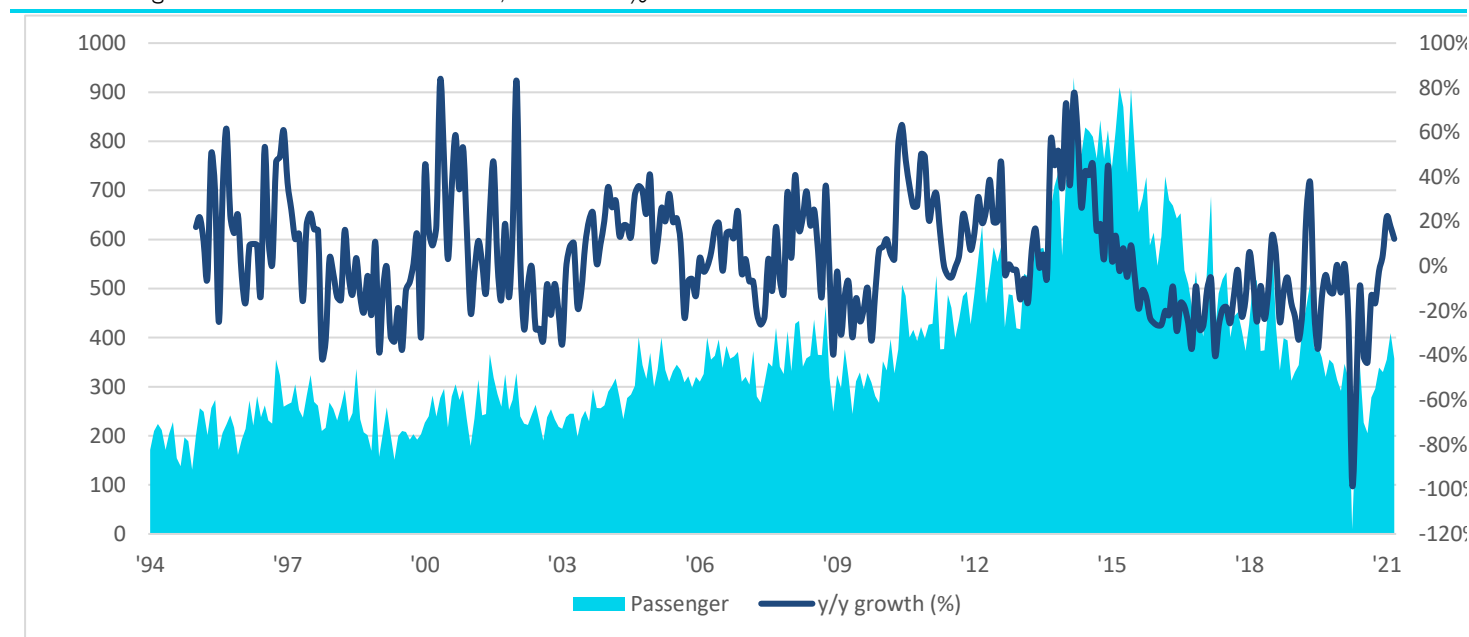
Source: Company data, Cirrus

Heavy commercial vehicles decreased 27.3% m/m and 11.1% annually. Light commercial vehicle (LCV) sales saw increases both on a monthly and annual basis, with growth of 21.6% and 25.7%, respectively. A total of 24 medium commercial vehicles were sold in Mar '21, an 84.6% growth in sales compared to Feb '21. Finally, a total 29 extra heavy vehicles were sold in Mar '21, down from 55 in Feb '21, and 1 bus was sold in January.

Passenger Vehicles

Passenger Vehicles

357 Passenger vehicles were sold in Mar'21, down 12.7% m/m



Source: Cirrus Securities, Lightstone Auto

Passenger vehicle sales totalled 357 in Mar '21, down 12.7% m/m. On an annual basis, passenger vehicle sales are up 12.3%, representing the third consecutive month of double-digit annual growth. Due to low bases in '20, vehicle sales are expected to continue to improve in '21. On a normalised basis, however, passenger vehicle sales are expected to remain muted due to the continued high unemployment, risk of retrenchments and strained household balance sheets as the country struggles to recover from the pandemic's economic toll. Q1 '21 passenger vehicle sales are 17.3% higher than Q1 '20, and 2.3% higher than Q1 '19, a further indication of the strength of vehicle sales in '21.

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