

STRUCTURAL ELEMENTS SUPPORT MINIBUS TAXI INDUSTRY RESILIENCE

DOMINANT & GROWING MODE OF INTEGRATED PUBLIC TRANSPORT NETWORK

40%
OF SOUTH AFRICANS USE PUBLIC TRANSPORT

69%
OF HOUSEHOLDS USE MINIBUS TAXIS (**59%** in 2003)

~15 million
MINIBUS TAXI COMMUTER TRIPS DAILY

- > Accessible
- > Convenient
- > Affordable & competitively priced
- > Reliable
- > Currently no government subsidy

-----> Bus & Rail ▼ | subsidised | together account for **<1.5 million** trips daily

-----> New passenger vehicle sales ▼ **22%** (HY13 to HY20)

-----> Increasing commuter density due to **urbanisation**

-----> Continued high levels of unemployment **~29%**

-----> Spend by commuters on public transport is **non-discretionary**

MINIBUS TAXIS ARE AN ESSENTIAL SERVICE WITH SPEND BY COMMUTERS ON PUBLIC TRANSPORT BEING NON-DISCRETIONARY

DEMAND FOR MINIBUS TAXIS > SUPPLY IN SOUTH AFRICA

TOTAL DEMAND		
>250 000 MINIBUS TAXIS	~80 000 FINANCED &/OR INSURED	~170 000 UNENCUMBERED & AGED

AVERAGE AGE >9 YEARS | AGEING FLEET REQUIRING REPLACEMENT & RECAPITALISATION

TOTAL MONTHLY MARKET SUPPLY VS SA TAXI'S MONTHLY DEMAND	
>1 800 TOTAL MARKET SUPPLY ¹ HY19 to HY20 ▼	<
	~5 600 SA TAXI'S TOTAL APPLICATIONS HY19 to HY20 ▲

MAJOR PREMIUM BRAND MINIBUS TAXIS SUPPLIED & DEMAND PER MONTH

TOTAL MONTHLY MARKET SUPPLY ²	
~1 600 NEW ¹	~220 PRE-OWNED ¹

SA TAXI'S MONTHLY APPLICATIONS	
~4 300 NEW	~1 900 PRE-OWNED
~43% APPROVAL RATE	~27% TAKE-UP RATE

EFFECT ON SA TAXI

- Driving higher demand for minibus taxis, finance & other services
- Liquid market for SA Taxi's high quality & affordable pre-owned refurbished vehicles
- Resulting in higher recoveries as asset retains value due to demand > supply

Source: Stats SA Land Transport Survey 2018 | NAAMSA Sales Results | National Treasury Public Transport & Infrastructure system report | Department of Transport -Transport Infrastructure report | Passenger Rail Agency of SA |

SA Bus Operators Association | Websites: Rea Vaya, MyCiTi, Rustenberg Rapid Transport

1. Includes Toyota, Nissan & Mercedes | SA Taxi's best estimate based on monthly NAAMSA reports, internal data & Lightstone data

2. The total monthly market supply of minibus taxis comprise of ~1 250 Toyota vehicles with the rest made up of Nissan & Mercedes (excluding Chinese vehicles)

CHALLENGING ENVIRONMENT FOR MINIBUS TAXI OPERATORS

INTEREST RATES

6.3%

AVERAGE REPO RATE¹
HY19 | 6.7%

5.25%

REPO RATE²
HY19 | 6.75%

23.0%

AVERAGE INTEREST RATE
AT ORIGINATOR
Since HY15 ▼ 1.4%

16.0% to 26.75%

SA TAXI RISK BASED PRICING
INTEREST RATE RANGE



~R370 ▼

IMPACT ON MONTHLY
INSTALMENT

VEHICLE PRICES

R463 000

TOYOTA HIACE (DIESEL) PRICE³
Since HY15 | ▲ 30%

2.5% ▲

TOYOTA VEHICLE PRICES IN HY20

FURTHER 3% ▲ IN TOYOTA VEHICLE PRICE IN APRIL & INCREASES EXPECTED IN FY20

R877 135

MERCEDES SPRINTER PRICE³
Since HY15 | ▲ 53%

~R3 650 ▲

IMPACT ON MONTHLY INSTALMENT SINCE 2015

R443 100

NISSAN NV350 PRICE³
Since HY15 | ▲ 33%

TAXI RECAPITALISATION PROGRAMME (TRP)

R124 000

▲ 36% IN APRIL 2019
MINIBUS TAXI SCRAPPING ALLOWANCE

TRP INITIATED BY
GOVERNMENT IN 2006

FUEL PRICES INCLUDING FUEL LEVIES

R15.85 per litre

PETROL PRICE⁴ ▲ 4%

R14.37 per litre

DIESEL PRICE⁴ ▲ 3%

FUEL PRICES CURRENTLY AT FOUR-YEAR LOW | MAY 2020 ▼ ~R2.00 per litre

~2 billion litres

USED BY TAXI INDUSTRY PER YEAR⁵

~R30 billion

FUEL SPEND BY TAXI INDUSTRY PER YEAR⁵

MINIBUS TAXI INDUSTRY'S TAX CONTRIBUTION⁶

~R1 million

VAT CONTRIBUTION ON
VEHICLE SALES PER YEAR

~R7 billion

FUEL LEVIES PAID
PER YEAR

~R4 billion

ROAD ACCIDENT FUND
CONTRIBUTION PER YEAR

FARES

Despite inelastic demand for minibus taxi services the industry kept fare increases muted in 2019, with increases in 2020 unlikely mindful of the current hardship of commuters

1. Average Repo rate for year ending 31 March 2019 & 2020 | 2. Repo rate as at 31 March 2020 | 3. Toyota, Mercedes & Nissan recommended retail price, including VAT, as at 31 March 2020 | 4. www.energy.gov.za | 12-month rolling average fuel price (March 2019 to March 2020) | 5. 12-month rolling average petrol & diesel price (March 2019 to March 2020) multiplied by number of litres used | 6. SA Taxi's internal estimate

TRAIN

< 500 000 ▼ 33%
COMMUTER TRIPS DAILY

RECEIVES 44%
OF GOVERNMENT SUBSIDY

~3 100 km NATIONAL NETWORK
~500 TRAIN STATIONS

MINIBUS TAXI

> 15 million ▲
COMMUTER TRIPS DAILY

CURRENTLY
NO GOVERNMENT SUBSIDY

>250 000 MINIBUS TAXIS
>2 600 TAXI RANKS
~18 billion km TRAVELLED (per year)

BUS

< 800 000 ▼ 2%
COMMUTER TRIPS DAILY

RECEIVES 56% OF GOVERNMENT SUBSIDY

>19 000 REGISTERED BUSES
>100 BUS STATIONS
~1 billion km TRAVELLED (per year)

BUS RAPID TRANSPORT (BRT)¹

> 120 000 *no change*
COMMUTER TRIPS DAILY

4 METROPOLITANS
~650 REGISTERED BUSES
~130 BUS STATIONS; ~ 70 ROUTES

PUBLIC TRANSPORT COMMUTERS RELY ON MINIBUS TAXIS GIVEN THEIR ACCESSIBILITY, AFFORDABILITY, RELIABILITY & FLEXIBILITY

- 40% of South Africans use public transport
- Minibus taxis are the dominant form of public transport
- Minibus taxis provide an essential service & spend is non-discretionary

COVID-19

- **Minibus taxi industry proven as dominant & essential service during COVID-19**
 - › Restrictions caused ▼ activity & passenger load
 - › Minibus taxi industry quick to recover as economic activity ▲ post COVID-19
 - › Minibus taxi activity is a precursor to economic activity

GROWING MINIBUS TAXI USAGE

- Since 2013, minibus taxi usage (▲ >20%)
- 69% of all households use minibus taxis (59% in 2003)
- 75% of all work & educational public transport trips
- Population growth since 2013 (▲ 11%)
- Increasing commuter density due to urbanisation
- Transformation of minibus taxi industry due to ▲ regulation & capitalisation, attracting a more sophisticated taxi operator
- New passenger vehicle sales ▼ 22% (HY13 to HY20)

ENVIRONMENT FOR MINIBUS TAXI OPERATORS

MINIBUS TAXIS ARE THE PREFERRED MODE OF PUBLIC TRANSPORT DUE TO COMPETITIVE PRICING, ACCESSIBILITY & RELIABILITY

LOWER LSM CONSUMERS SPEND ~ 40% OF MONTHLY HOUSEHOLD INCOME ON PUBLIC TRANSPORT FARES
 COMMUTER TRIPS VIA BUS & RAIL MOSTLY REQUIRE FIRST & LAST KM UTILISING MINIBUS TAXIS

SHORT DISTANCE ROUTE | SOWETO TO JOHANNESBURG: 23KM

	Minibus taxi	Train	Bus	BRT	Uber
Accessibility	On route	Station & scheduled	Scheduled stops	Scheduled stops	E-hail
Affordability 2018	R16.00	R9.50	R17.80	R15.00	~R280.00
Increase	6%	0%	0%	0%	7%
Affordability 2019	R17.00	R9.50	R17.80	R15.00	~R300.00
Reliability	1 association with ~1 400 members	Every 10 to 20 minutes Stops at 7pm	A few buses operating on the route	Volume of buses < peak capacity required	On demand
Efficiency					

LONG DISTANCE ROUTE | JOHANNESBURG TO DURBAN: 595KM

	Minibus taxi	Train	Bus - Eldo	Bus - Greyhound
Accessibility	On route	Station & scheduled	Scheduled stops	Scheduled stops
Affordability 2018	R300.00	R390.00	R240.00	R395.00
Increase	7%	0%	0%	0%
Affordability 2019	R320.00	R390.00	R240.00	R395.00
Reliability	3 associations with ~900 members	3x per week	7 departures each per day (fewer on a Saturday & Sunday)	
Efficiency				

AVERAGE MINIBUS TAXI OPERATOR PROFITABILITY¹

~**R28 000** PER MONTH

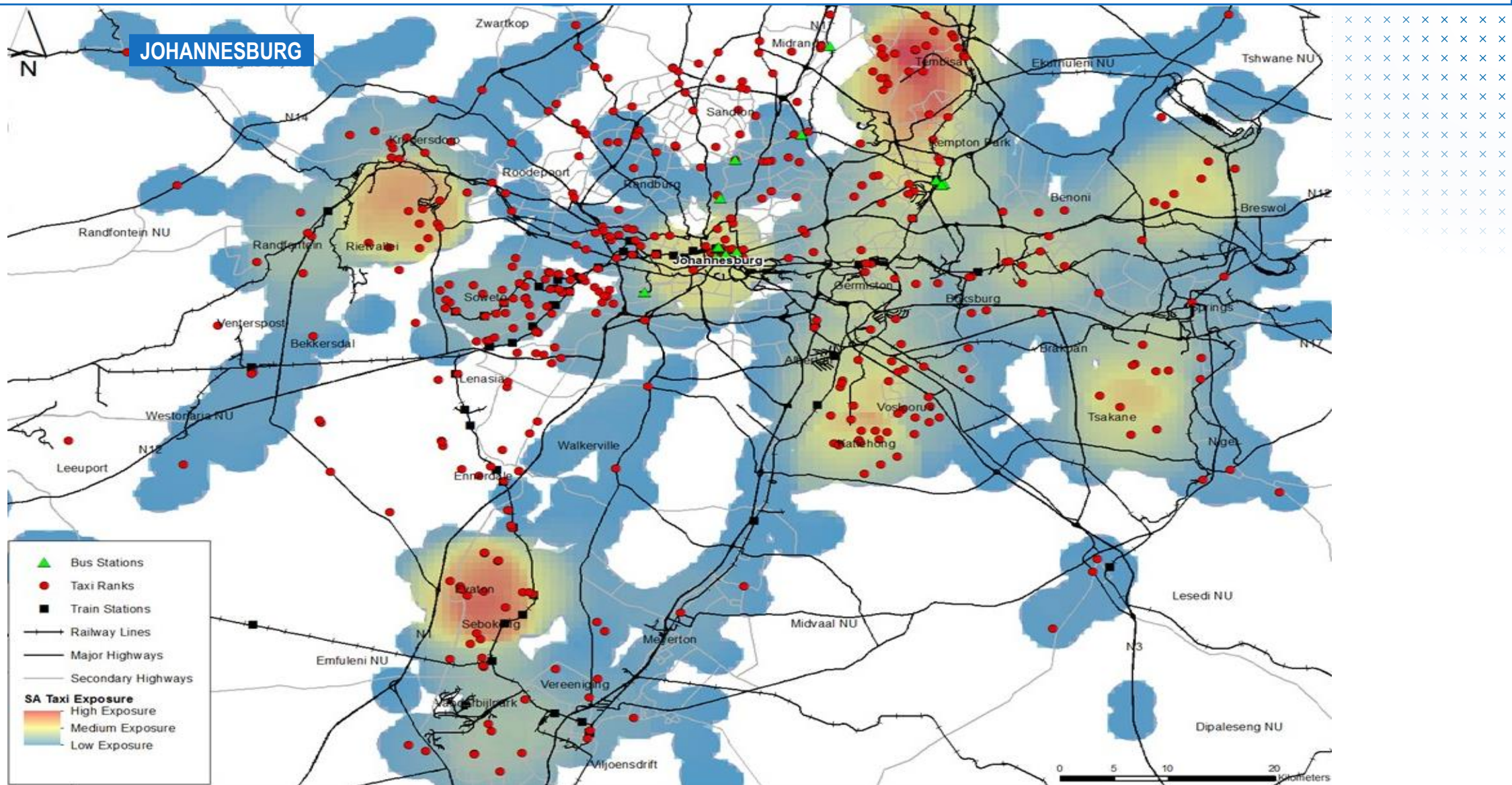
AVERAGE MINIBUS TAXI OPERATOR PROFITABILITY¹

~**R38 000** PER MONTH

1. Based on SA Taxi's affordability calculator at origination | Average operator profitability varies based on profile of financial deal
 Factors include: new vs. pre-owned vehicle, loan term, deposit paid, region, association, route dynamics & demand, insurance products taken-up | SA Taxi's model measuring operator profitability remains conservative
 Source: Industry information | Websites: Metrorail; Bus Rapid Transport; Rea Vaya; Various bus companies | Uber SA app

ENVIRONMENT & MARKET CONTEXT

INTEGRATED PUBLIC TRANSPORT NETWORK, WITH BUS & RAIL COMMUTERS RELYING ON MINIBUS TAXI INFRASTRUCTURE



Last updated FY19:
Source: SA Taxi telematics data as at 11 October 2016 | National Land Transport Strategic Framework 2015

SME EMPOWERMENT

100% BLACK OWNED SMEs **27%** WOMEN OWNED SMEs¹ **20%** UNDER THE AGE OF 35 YEARS¹

SUSTAINABLE JOB CREATION

~1.8 DIRECT JOBS PER TAXI VEHICLE **>150 000** DIRECT JOBS CREATED BY SA TAXI'S FLEET SINCE 2008

~600 000 INDIRECT JOBS ENABLED BY THE MINIBUS TAXI INDUSTRY² **~7 000** DIRECT JOBS CREATED BY SA TAXI'S FLEET IN HY20

ECONOMIC TRANSFORMATION & INCLUSIVE GROWTH

DEVELOPMENTAL CREDIT ACHIEVING INCLUSIVE GROWTH

R1.8 billion
LOANS ORIGINATED CREATING
3 876
SMEs IN HY20

R27.5 billion
LOANS ORIGINATED CREATING
84 890
SMEs SINCE 2008

FACILITATES ASSET OWNERSHIP BY BLACK SMEs

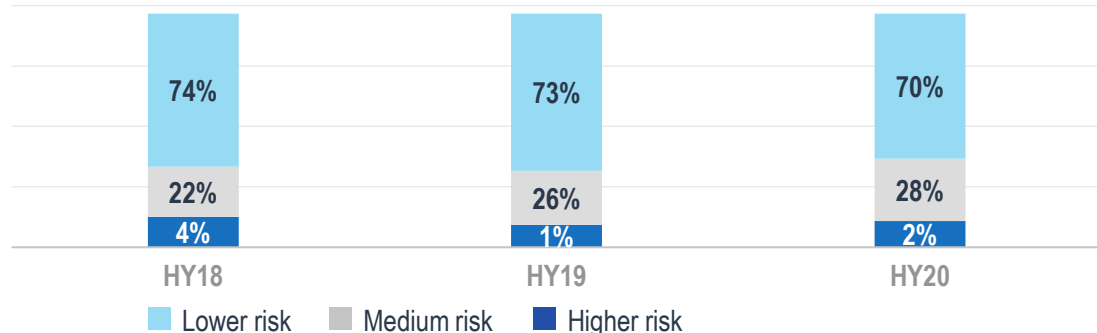
~80% SA TAXI CUSTOMERS CLASSIFIED AS PREVIOUSLY FINANCIALLY EXCLUDED & UNDER-BANKED

~640 SCORE BELOW WHICH BANKS ARE UNLIKELY TO OFFER FINANCE

~595 AVERAGE SCORE AT WHICH SA TAXI GRANTS FINANCE

SERVING HIGHER QUALITY TAXI OPERATORS TO CREATE A MORE SUSTAINABLE MINIBUS TAXI INDUSTRY

NEW ORIGATION VOLUMES BY RISK GRADE



ROAD SAFETY PROJECTS LED BY SANTACO

MAJORITY OF FIRST TRICKLE DIVIDEND INVESTED INTO ROAD SAFETY PROJECTS

TYRE REWARDS | HIGHER SAFETY SPECIFICATIONS AT LOWER COST

ENVIRONMENTAL SUSTAINABILITY

9.8% ABATEMENT ON CARBON EMISSIONS³

DEVELOPING PUBLIC TRANSPORT INFRASTRUCTURE

3 876 RELIABLE NEW & PRE-OWNED MINIBUS TAXIS ON THE ROAD IN HY20

COMMUTER EXPERIENCE

REPLACEMENT OF AGED MINIBUS TAXI FLEET

1. On HY20 originations
2. Department of Transport Minister Dipuo Peters address at National Council of Provinces Budget vote NCOP 2014/15
3. Percentage of tCO2e abatement saved in 2019 through SA Taxi's financing activities