

AWA WILDLIFE TRENDS ANALYSIS FOR 2020



African Wildlife Auctions and it's business units analysis of the trends and statistical data for the wildlife industry

Presentation 2020 Analysis



- > The Wildlife Industry has seen some unprecedented changes in the past four years with the biggest impact in 2020 due to COVID-19.
- From the boom days in the industry in 2015 and 2016 to a complete change and reset in the market in 2017 with the downward trends continuing in 2018, 2019 and 2020.
- Although we believe that the changes in the wildlife industry the past few years are mainly due to normal market principles of supply and demand, the industry were further impacted in general by the uncertainty regarding property ownership in South Africa and continued drought in certain areas. 2020 Auctions were all severely impacted by COVID-19.
- > 2020 Year will always be remembered as the year of COVID-19 and the wildlife industry was impacted severely as most industries in the world.
- Revenue values are now back to values achieved in 2009, quantities of game to numbers to 2013 numbers and average pricing of game back to values as seen in 2007.



- Due to the proliferation of auction houses, it has become more and more difficult to obtain data from certain auction houses and specific auctions. The data we compiled and present in this document we however believe is a fair indication of the market trends in the South African wildlife industry.
- Although certain outside factors contributed to the drastic reduction in prices of, for example colour variances, we believe the main reason for the price reset was the huge increase in supply of these species without an equal increase in demand.
- > The industry needs to ensure that it creates a demand for these species or we will continue to see a decline in certain specie prices. This will stabilize once the supply and demand ratio has been restored.



- > Current market indicators and trends, for all 2020 game auctions, indicate that the market has continued to contract severely and was further impacted in 2020 due to COVID-19.
- > Total revenue of game sale from auctions were as follow:
 - 2018 <u>declined</u> by 37% to R598m;
 - 2019 <u>declined</u> by 21% to 472m;
 - 2020 <u>declined</u> by 59% to R196m due mainly to COVID-19.
 - The revenue reduced from R979m in 2017 compared to the all time high of R1,9 billion in 2015
- Quantities of colour variances on auction in 2018 showed a significant increase of animals but the trend reversed during the 2019 and 2020 with these species quantities reduced substantially during this period.











1. Summary of revenue Wildlife Industry				
<u>Year</u>	<u>Value</u>	Quantity	<u>Average</u>	
2001	R52 857 575	8 972	R5 891	
2002	R74 144 021	12 220	R6 067	
2003	R74 090 642	12 179	R6 083	
2004	R71 894 834	15 014	R4 789	
2005	R32 505 415	7 833	R4 150	
2006	R36 881 835	8 662	R4 258	
2007	R89 544 195	9 485	R9 441	
2008	R111 478 250	9 139	R12 198	
2009	R220 937 162	9 598	R23 019	
2010	R232 657 655	8 300	R28 031	
2011	R433 337 065	10 077	R43 003	
2012	R856 712 460	11 556	R74 136	
2013	R857 391 169	17 407	R49 256	
2014	R1 489 783 755	25 277	R58 938	
2015	R1 961 279 908	38 226	R51 307	
2016	R1 854 892 218	36 533	R50 773	
2017	R978 997 842	37 710	R25 961	
2018	R598 580 160	30 114	R19 877	
2019	R472 433 825	31 518	R14 989	
2020	R195 789 520	19 800	R9 888	



Wildlife Industry Trends and Analysis TOTAL AUCTION INDUSTRY(Rare and Plains Game)

- > Total revenue generated from game sales:
 - 2017 revenue <u>declined</u> by 47%.
 - 2018 revenue <u>declined</u> by 39%.
 - 2019 revenue <u>declined</u> by 21%.
 - 2020 revenue <u>declined</u> by 58,6%.
- > Total number of animals sold on auction:
 - 2017 quantities <u>increased</u> by 3%.
 - 2018 quantities <u>declined</u> by 20%.
 - 2019 quantities <u>increased</u> by 5%.
 - 2020 quantities <u>declined</u> by 37%.

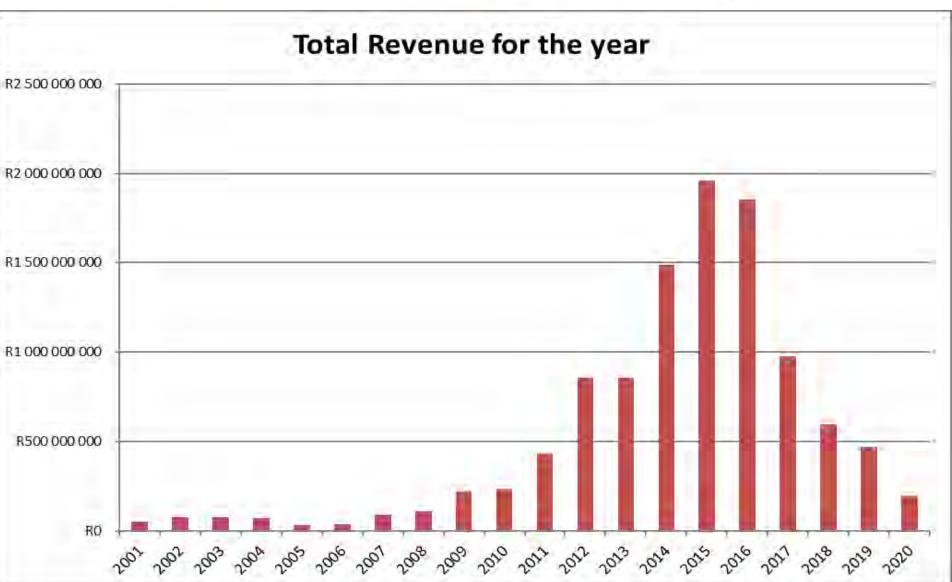












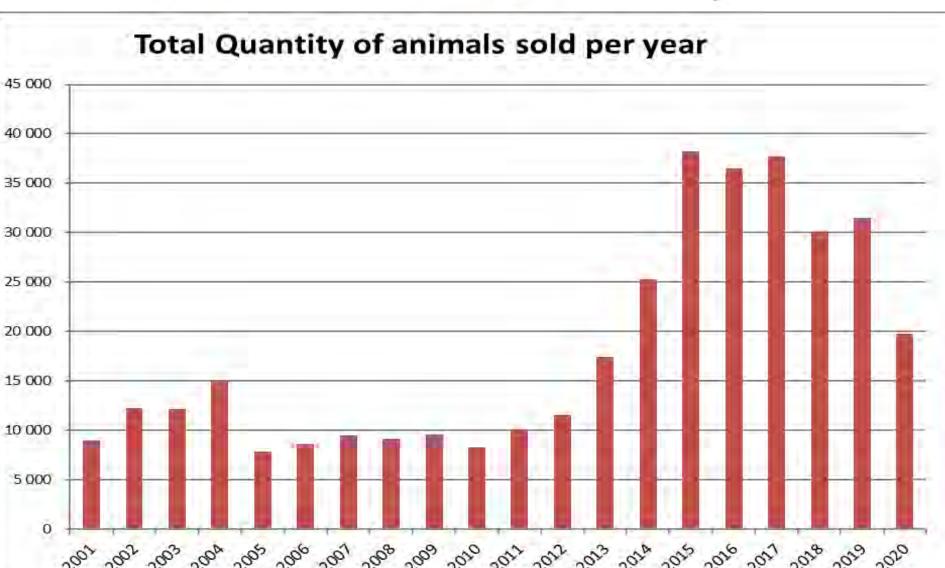












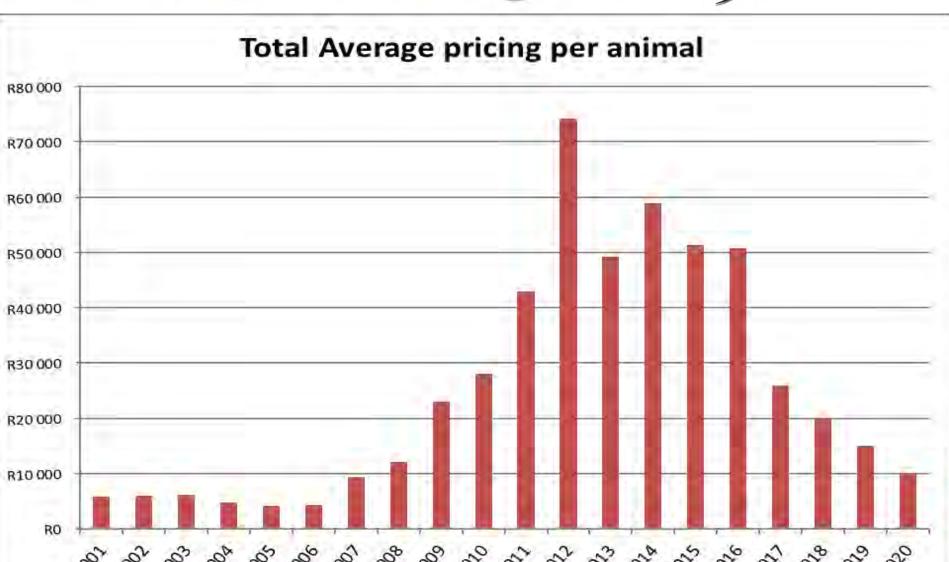














Pricing Trends of game on auction - Rare Game

- Detailed analysis of the rare game prices over the past four years indicated that the trends in the colour variance market are different from the rest of the rare game market.
- Statistical data were analysed in detail per specie, per category for colour variances and rare game species.
- > Interesting trends emerged out of these analysis.
- We believe these trends and analysis can assist the game farmers with their planning and marketing of their game in 2021 and into the future.



Colour Variance Market Analysis (Golden Wildebeest, Black Impala etc.)

- Pricing of most colour variance species in 2020 are now at an average of between 1% to 2 % of the value received for the same species in 2015/2016.
- > These trends are specific to those colour variances that have a growing market for the hunting industry.
- Certain other colour variance species like Saddleback Impala and Kings Wildebeest have a very limited demand in the hunting industry and therefore we have seen much higher reduction in prices for these species.
- > Currently these species are only achieving 1% and less of their market prices achieved in 2015/2016.
- > This analyses is measured by taking a specific animal's credentials in 2015/2016 and compare those pricing to current prices in the market to similar credentials in 2020.



Non Colour Variance Analysis (Buffalo, Sable, Roan etc.)

- Analysis performed with data available indicated that the Sable, Roan and Buffalo species prices have also materially been affected the past three years, although not to the extent we have seen in the colour variant market reductions.
- > These species on average are now selling at 5% to 10% of value achieved during the peak of 2015/2016. The price of Sable and Roan species seem to have stabilised during 2020.
- Prices in the Buffalo sales vary substantially from week to week in 2020, which is a clear indication that the stability in the Buffalo market has not yet settled and will continue to be volatile in 2021.
- > These analyses are measured by taking a specific animal's credentials in 2015/2016 and compare those pricing to current prices in the market to similar or same credentials as were achieved in 2020.
- > The top end of the market in these species showed a similar trend currently to the lower end of the market for these specific species.



2020



R137 800 030







R30 087

3. Summary of revenue Wildlife Industry - Rare Game			
<u>Year</u>	<u>Value</u>	Quantity	<u>Average</u>
2000	RO	О	RO
2001	R30 625 523	291	R105 242
2002	R43 084 810	424	R101 615
2003	R45 330 227	433	R104 689
2004	R40 624 000	537	R75 650
2005	R15 861 000	244	R65 004
2006	R18 283 500	336	R54 415
2007	R67 816 550	776	R87 392
2008	R87 327 500	768	R113 708
2009	R195 624 252	1 165	R167 918
2010	R211 613 600	1 062	R199 260
2011	R407 828 950	1 769	R230 542
2012	R822 529 500	2 064	R398 512
2013	R799 892 200	2 306	R346 874
2014	R1 314 023 250	3 254	R403 818
2015	R1 667 331 472	5 161	R323 064
2016	R1 646 247 658	8 077	R203 819
2017	R815 403 881	10 131	R80 486
2018	R491 263 425	8 326	R59 004
2019	R369 171 025	7 130	R51 777

4 580



Wildlife Industry Trends and Analysis TOTAL RARE GAME ON AUCTION

- Total revenue generated from rare game sales:
 - 2017 revenue <u>declined</u> by 50%.
 - 2018 revenue <u>declined</u> by 40%.
 - 2019 revenue <u>declined</u> by 25%.
 - 2020 revenue <u>declined</u> by <u>63%.</u>
- > Total number of rare game animals sold on auction:
 - 2017 quantities <u>increased</u> by 25%.
 - 2018 quantities <u>declined</u> by 18%.
 - 2019 quantities <u>declined</u> by 14%.
 - 2020 quantities declined by 36%.







	Price comparison: Ra	re Game Price%	Quantity%
•	Rhino	+ 8%	+ 45%
•	Tsessebe	+ 6%	+ 2%
•	Livingston Eland	- 5%	- 53%
•	Saddleback Impala	- 24%	- 48%
•	Roan	- 25%	- 24%
•	Black Impala	- 23 %	- 17%
•	Golden Gemsbuck	- 27%	- 60%
•	Golden Gnu	- 25%	- 8%
•	Sables	- 37%	- 34%
•	Buffalo	- 51%	- 40%
•	Kings Wildebeest	- 58%	+ 11%
-	TOTAL RARE GAME	- 25 %	- 24 %

Buffalo and Sables average prices were impacted the most during the 2020 calendar year. We believe sables prices have stabilised but we still see some instability in Buffalo prices in the coming year of 2021. Rhino and Tsessebe were the only two species that have seen an increase in average prices during 2020.

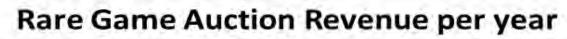


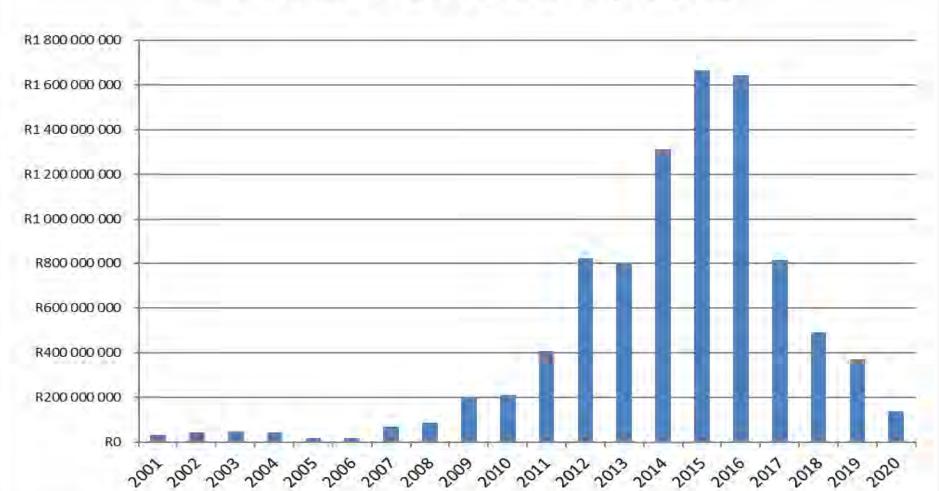












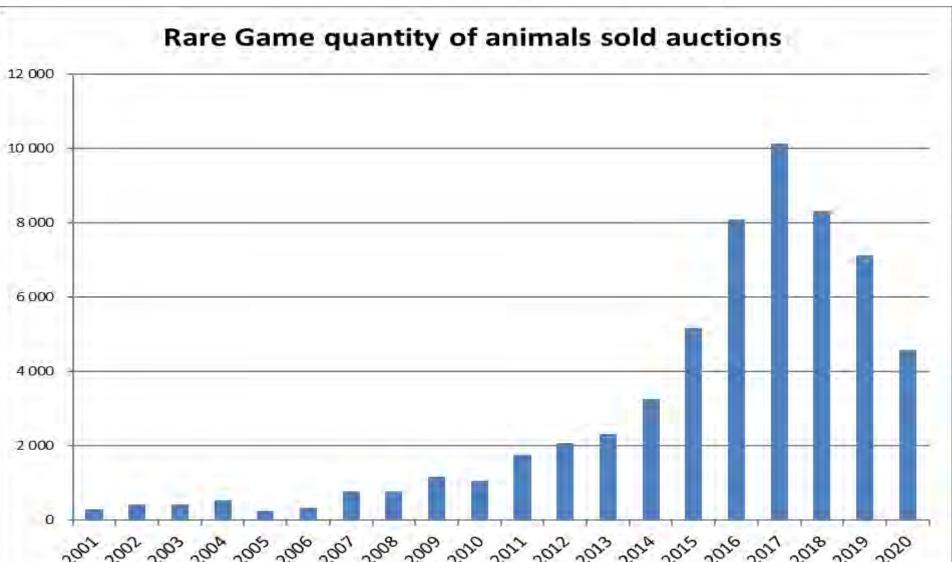




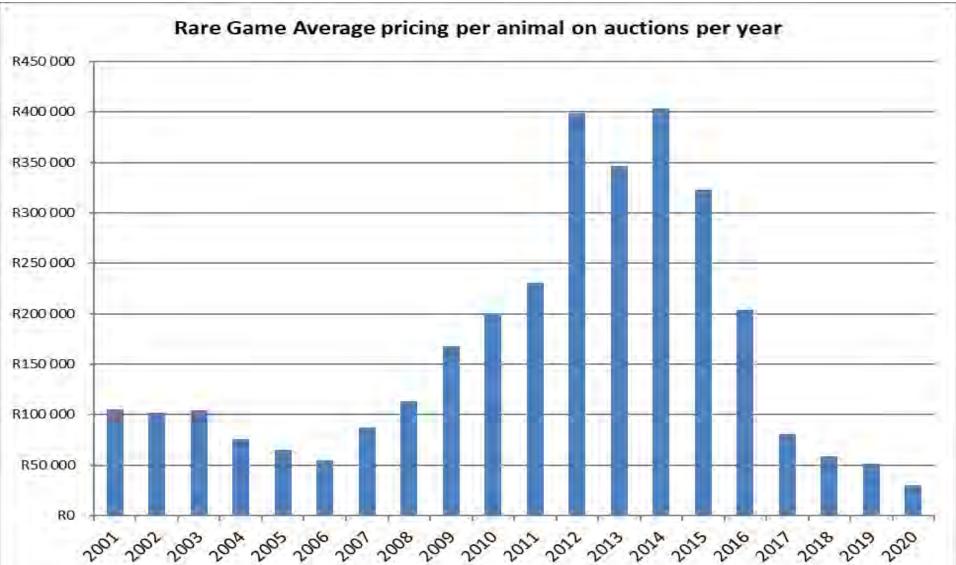




















Pricing Trends of game on auction - Rare Game

Buffalo Analysis

- Percentage of Buffalo sales of total game sales in industry:
 - 40% of all game sales in 2017;
 - 45% of all game sales in 2018;
 - 52% of all game sales in 2019;
 - 33% of all game sales in 2020.
- > Average Pricing achieved on game sales for Buffalo:
 - **2016 R944 387**;
 - **2017 R502 514**;
 - 2018 R401 496;
 - 2019 R315 922;
 - **2020 R143 824:**
 - Average pricing on Buffalo reduced by 54% from 2019 to 2020 year;
 - If you eliminate high value Buffalo from data, then the average pricing of Buffalo cows sold on auction varied between R25 000 to R35 000 per Buffalo cow;
 - Hunting Buffalo bulls older than 6 years with hard boss sold on average between R65 000 to R120 000 depending on the spread of the bull's horns and size of the boss.
- Quantities of Buffalo on sale on auctions:
 - 2016 598 Buffalo sold, a decrease of 3%;
 - 2017 743 Buffalo sold, an increase of 24%;
 - 2018 671 Buffalo sold, a decrease of 10%;
 - 2019 781 Buffalo sold, an increase of 16%;
 - 2020 387 Buffalo sold, a decrease of 50%.

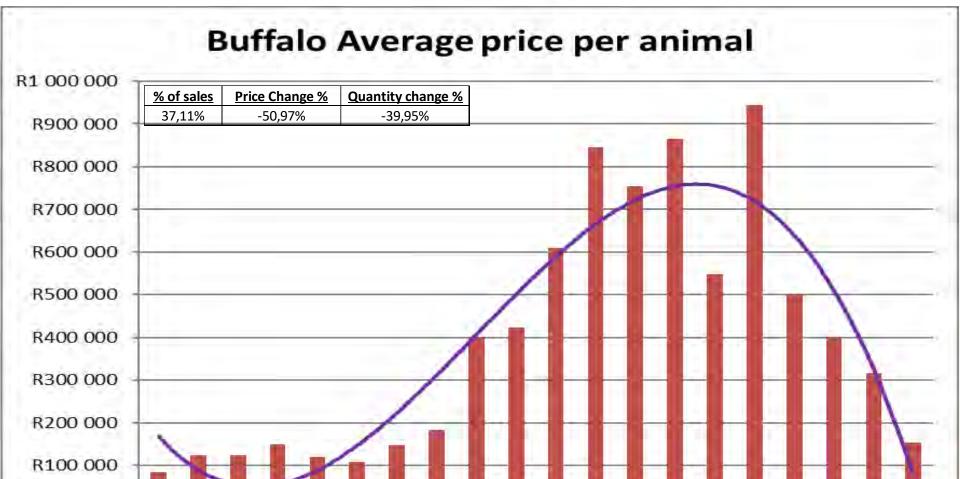




















Pricing Trends of game on auction - Rare Game

Sable Analysis

- Percentage of Sable sales of total game sales in industry:
 - 24% of all game sales in 2017;
 - 23% of all game sales in 2018;
 - 13% of all game sales in 2019;
 - 13% of all game sales in 2020.
- Average Pricing achieved on game sales for Sable:
 - **2016 R286 957**;
 - **2017 R134 046**;
 - 2018 R 81 984;
 - 2019 R 38 443;
 - 2020 R 21 652;
 - Average pricing on Sable reduced by 44% from 2019 to 2020;
 - If you eliminate high value Sable from data, then the average pricing of Sable cows sold on auction varied between R6 500 to R15 000 per Sable cow;
 - Hunting Sable bulls older than 4 years sold on average between R12 000 to R300 000 depending on the spread and length of the horns. Sable bull prices are on average sold at between R400 to R500 per inch in 2020. Only bulls with horn sizes of 44 inches and more achieved R500 per inch and more.

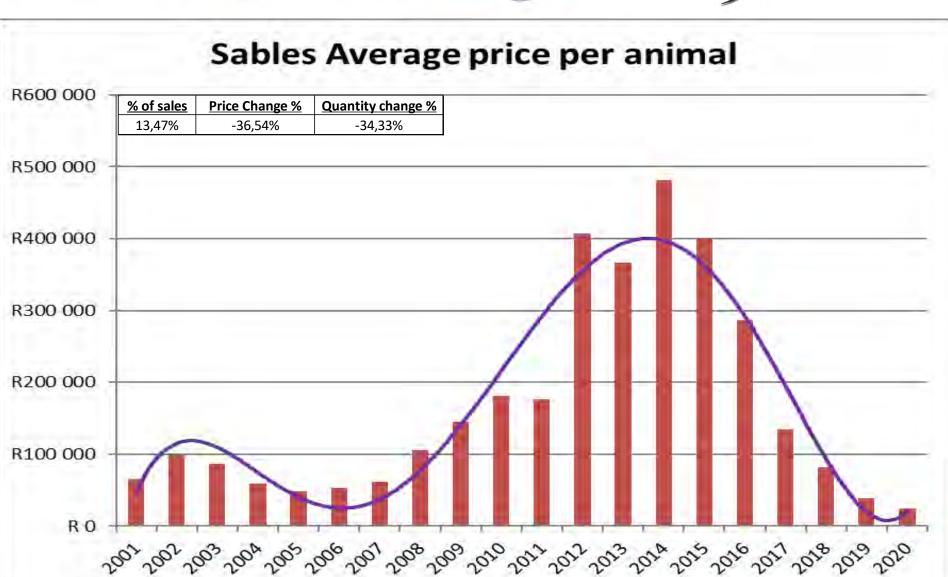












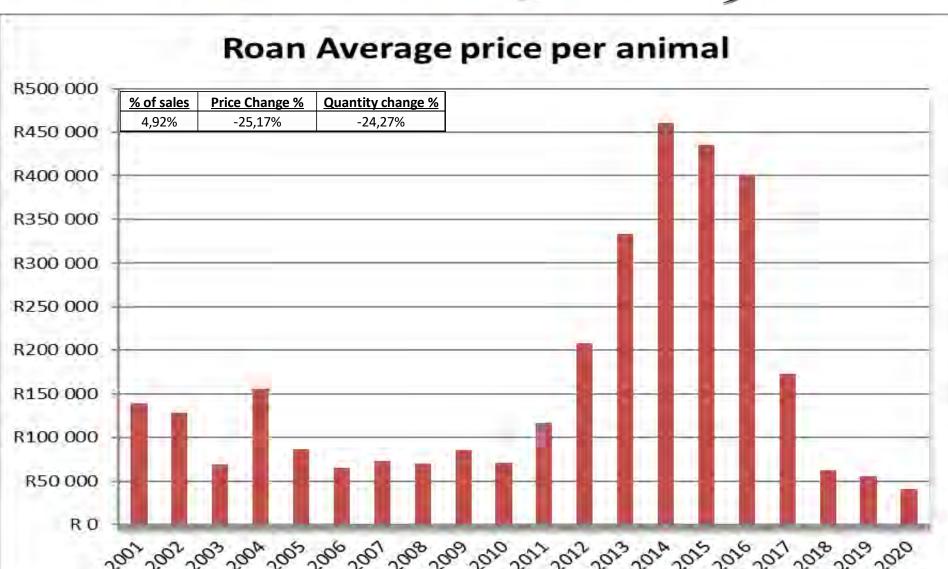












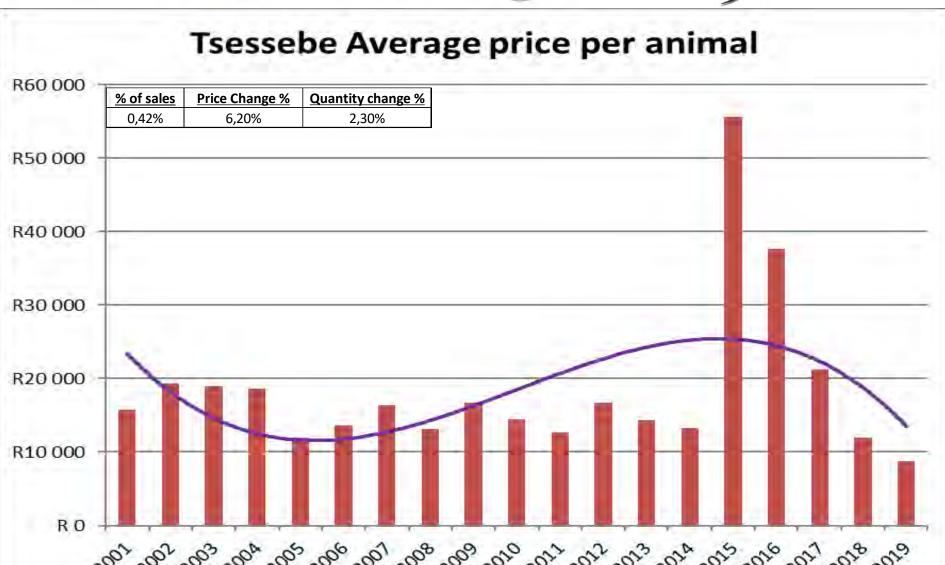














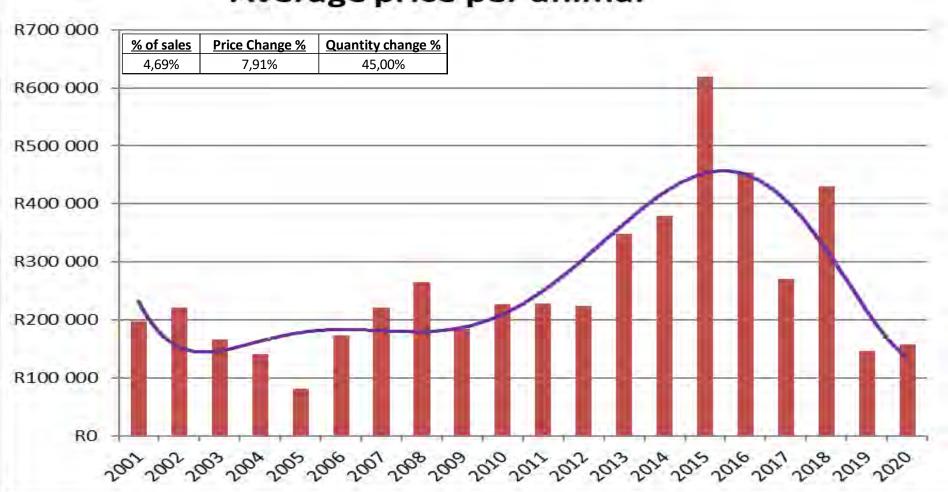












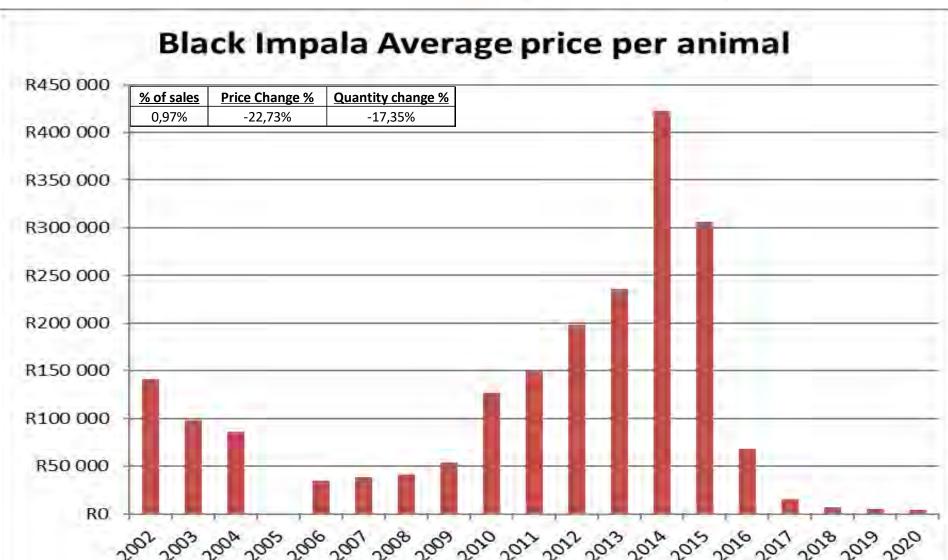














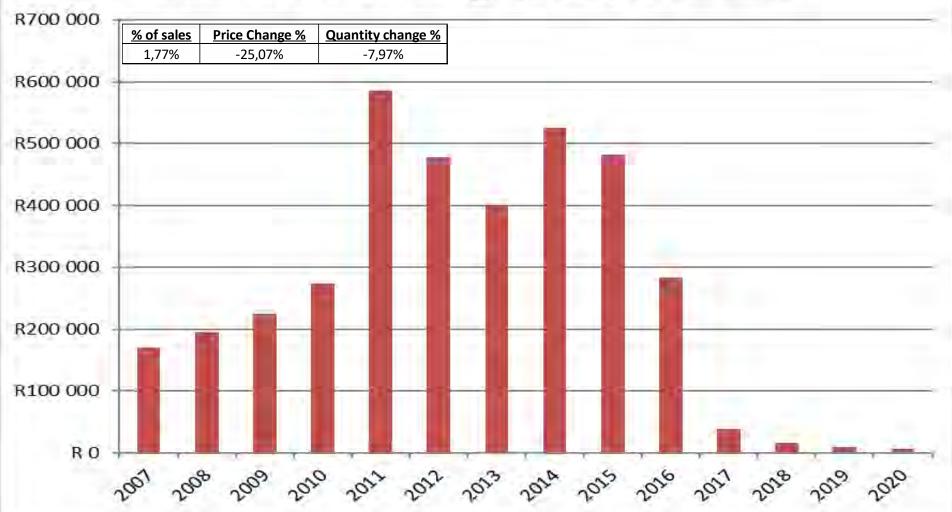














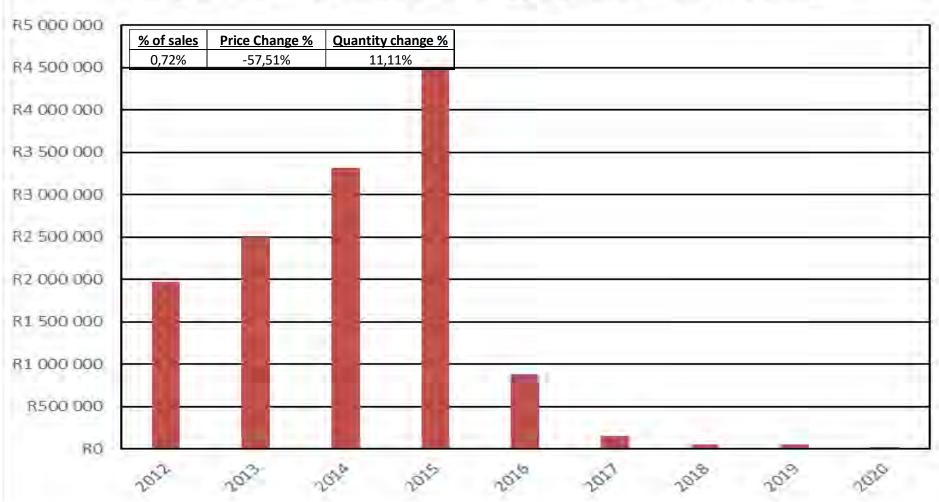








Kings Wildebeest Average price per animal



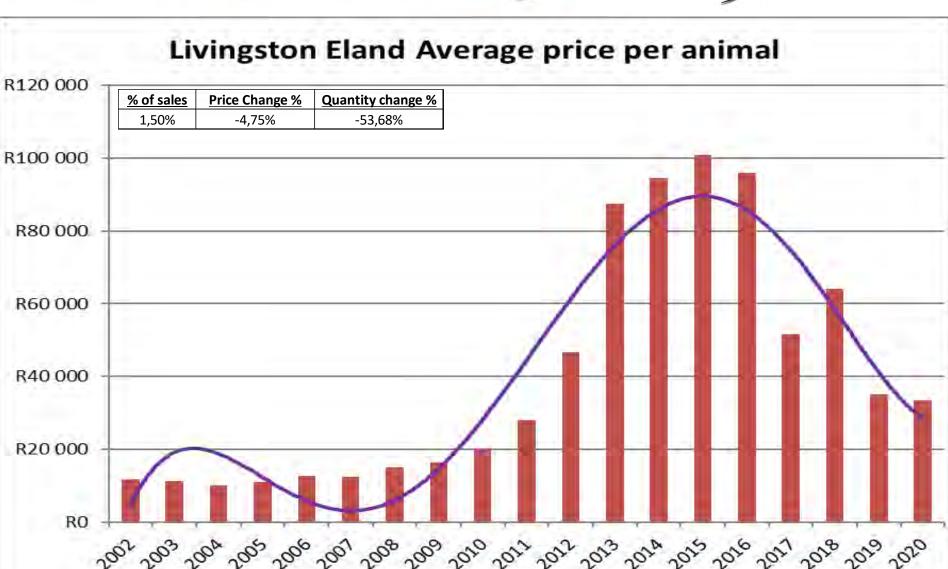














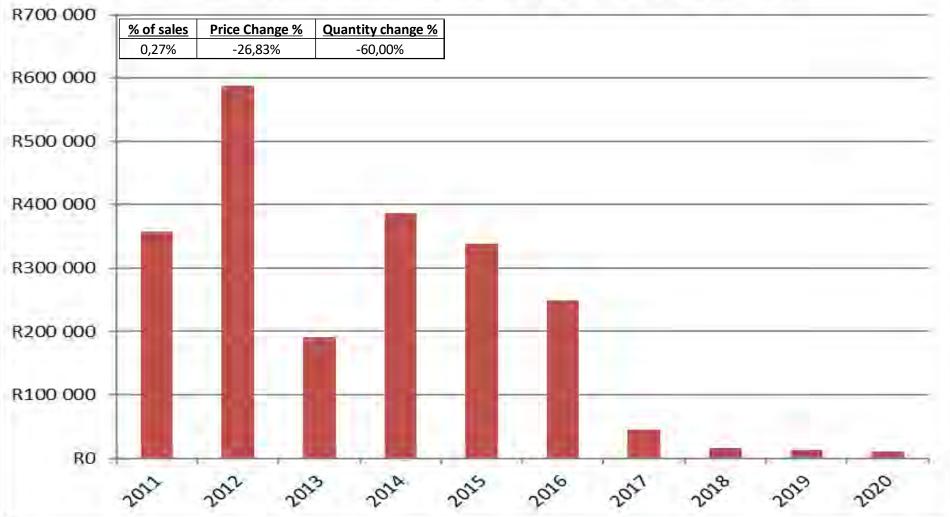














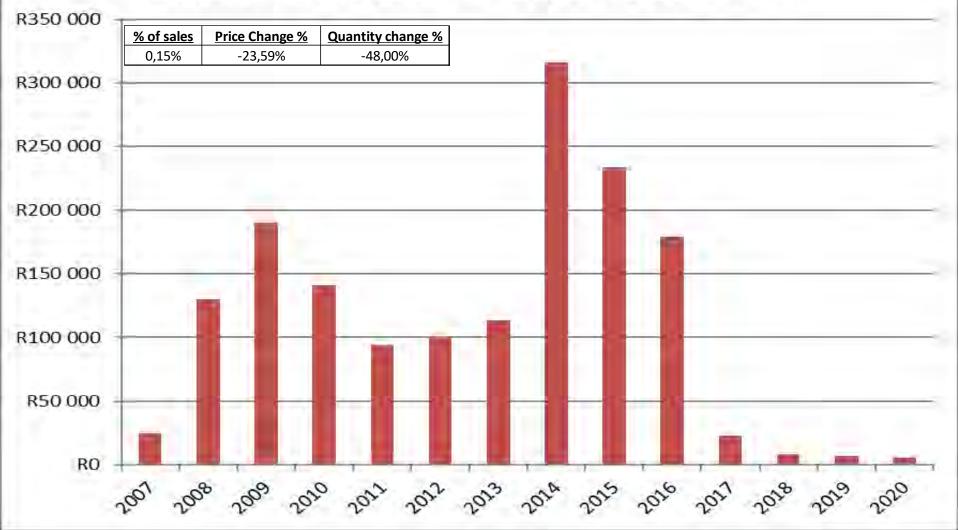








Saddleback Impala Average price per animal





Pricing trends of game on auction - Plains Game

- Detailed analysis of the plains game prices over the past four years have indicated that the plains game prices were reasonably stable compared to the rare game market.
- The plains game market on average shows a decrease in game prices for certain species and increase in prices for the most sought after species in 2020.
- Quantities sold on auction increased substantially during the 2015 and 2016 peak but returned to normal quantities in 2017 and decreased by 21% in the 2018 season with an 11% increase in quantities in 2019 and a 40% decrease in 2020 quantities due to the impact of COVID-19.
- > Statistical data were analysed in detail per specie per category for all plains game species.











AFRICAN WILDLIFE AUCTIONS	GAME CAPTURERS	LINE OF AUCTION	AUGTONS SA	
2. Summary	2. Summary of revenue Wildlife Industry - Plains Game			
<u>Year</u>	<u>Value</u>	Quantity	<u>Average</u>	
2000	RO	O	RO	
2001	R22 232 052	8 681	R2 561	
2002	R31 059 211	11 796	R2 633	
2003	R28 760 415	11 746	R2 449	
2004	R31 270 834	14 477	R2 160	
2005	R16 644 415	7 589	R2 193	
2006	R18 598 335	8 326	R2 234	
2007	R21 727 645	8 709	R2 495	
2008	R24 150 750	8 371	R2 885	
2009	R25 312 910	8 433	R3 002	
2010	R21 044 055	7 238	R2 907	
2011	R25 508 115	8 308	R3 070	
2012	R34 182 960	9 492	R3 601	
2013	R57 498 969	15 101	R3 808	
2014	R175 760 505	22 023	R7 981	
2015	R293 948 436	33 065	R8 890	

2019	R103 262 800	24 388	R4 234
2018	R107 316 735	21 788	R4 925
2017	R163 593 960	27 579	R5 932
2016	R208 644 560	28 456	R7 332
2015	R293 948 436	33 065	R8 890
2014	R175 760 505	22 023	R7 981
2013	R57 498 969	15 101	R3 808
2012	R34 182 960	9 492	R3 601
2011	R25 508 115	8 308	R3 070



TOTAL PLAINS GAME ON AUCTION

- > Total revenue generated from plains game sales:
 - 2017 revenue <u>declined</u> by 22%.
 - 2018 revenue <u>declined</u> by 34%.
 - 2019 revenue <u>declined</u> by 4%.
 - 2020 revenue <u>declined</u> by 47%
- > Total number of plains game animals sold on auction:
 - 2017 quantities <u>declined</u> by 3%.
 - 2018 quantities <u>declined</u> by 21%.
 - 2019 quantities <u>increased</u> by 11%.
 - 2020 quantities <u>declined</u> by 40%.



> Price comparison: Plains Game Price% Quantity%

•	Redhartebeest	+ 33%	- 65%
•	Bluewildebeest	+ 8%	- 24%
•	Blesbuck	+ 6%	- 28%
•	Zebra	+ 3%	- 32%
•	Impala	+ 2%	- 31%
•	Giraffe	- 11%	- 22%
•	Gemsbuck	- 13%	- 41%
•	Eland	- 28%	- 10%
•	Waterbuck	- 30%	- 38%
•	Kudu	- 40%	- 28%
•	Nyala	- 40%	- 40%
•	TOTAL PLAINS GAME	- 13 %	- 40 %

Kudu, Waterbuck and Gemsbuck prices were impacted by the low demand for hunting bulls that drove the average prices for these species down. Redhartebeest prices increased substantially due to a shortage of supply in the market. Bluewildebeest, Blesbuck and Impala specie prices continued to increase during 2020.

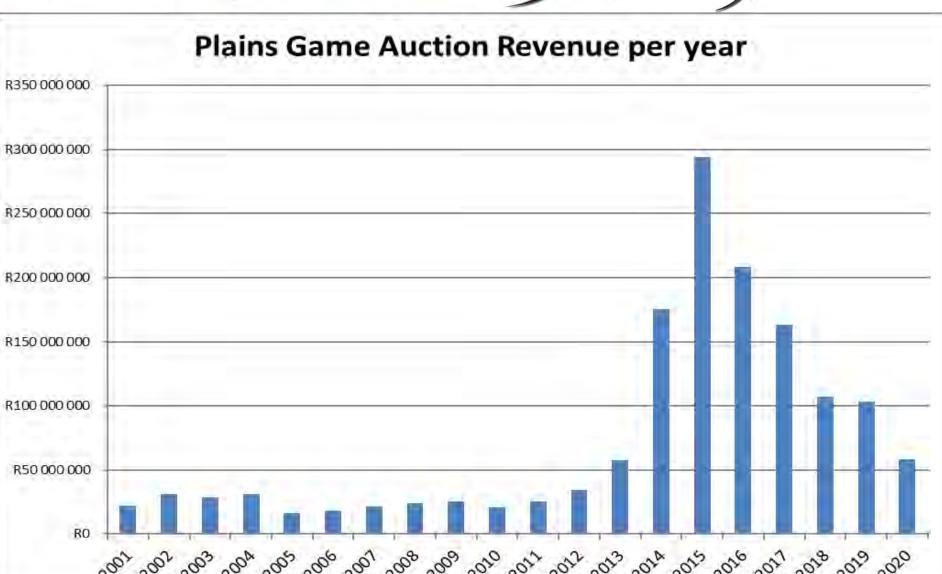












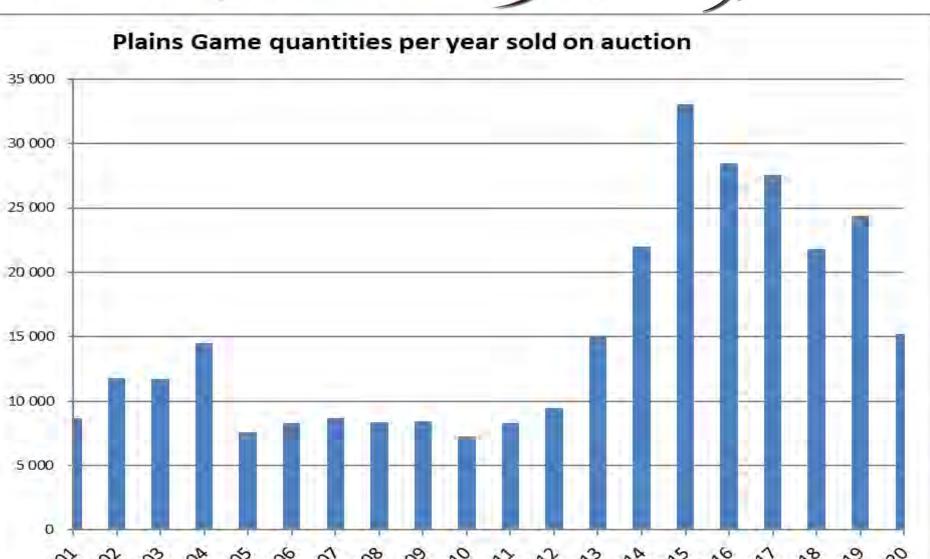












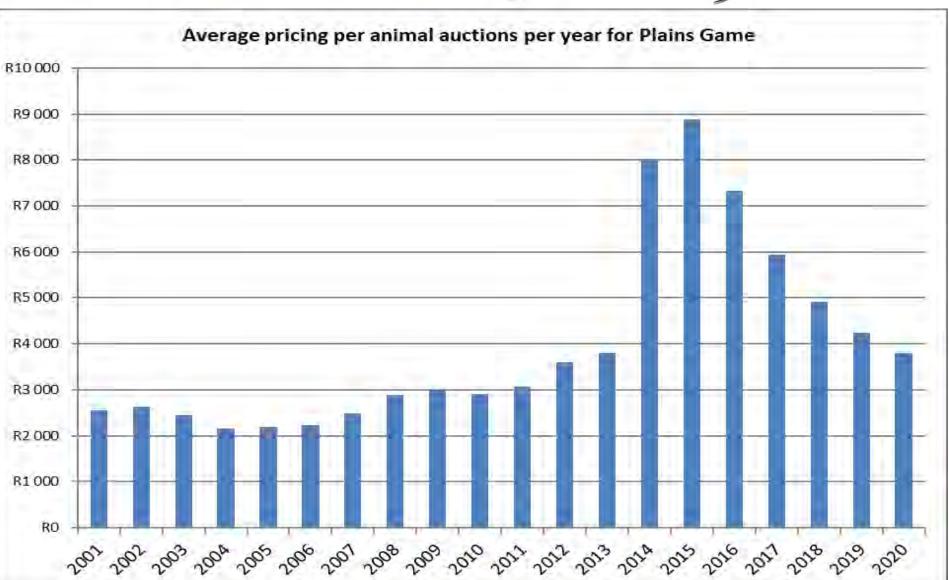














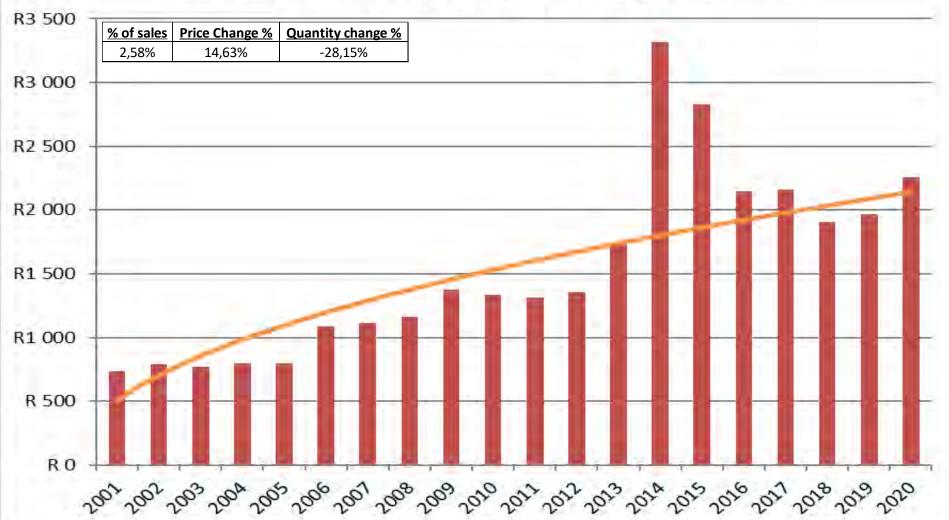














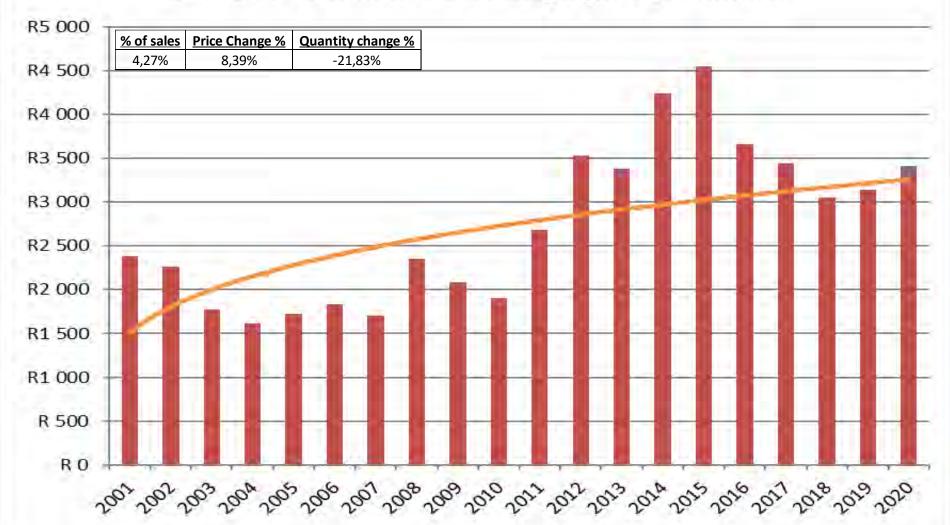








Normal Bluewildebeest Average price per animal





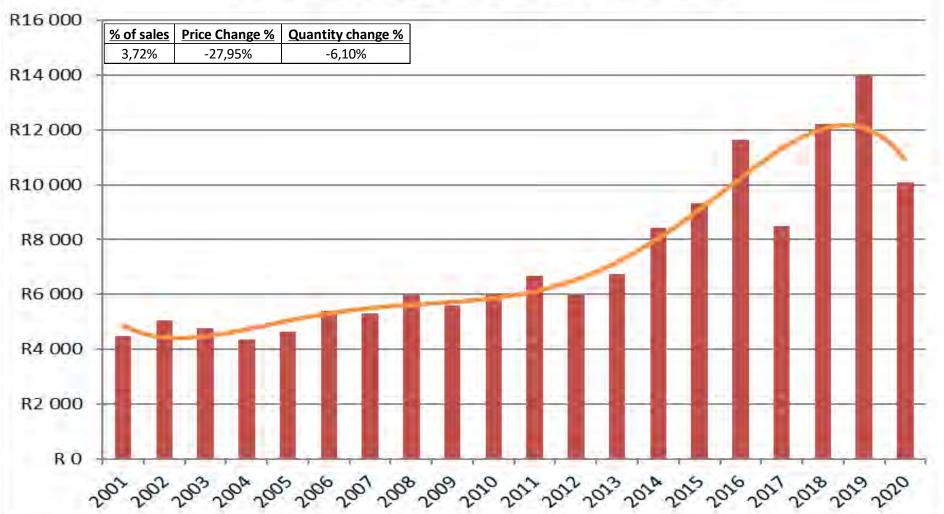














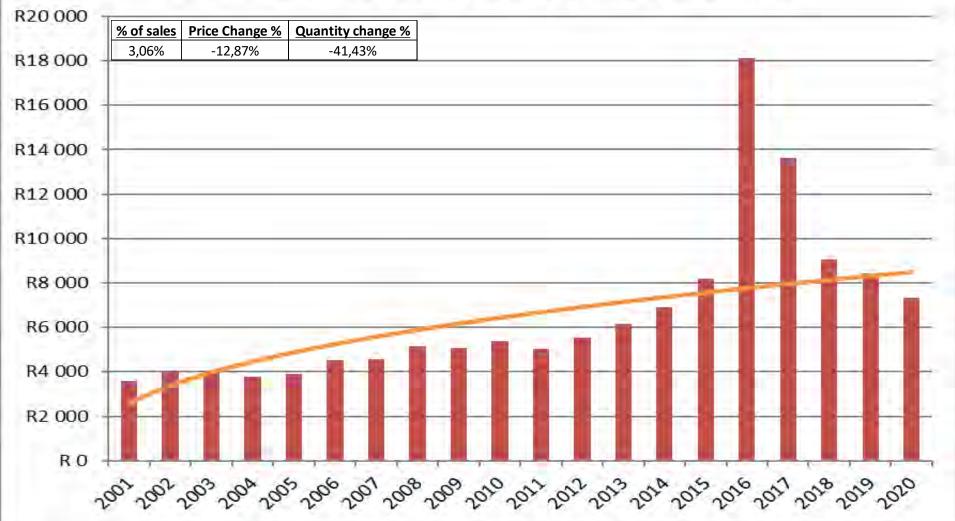














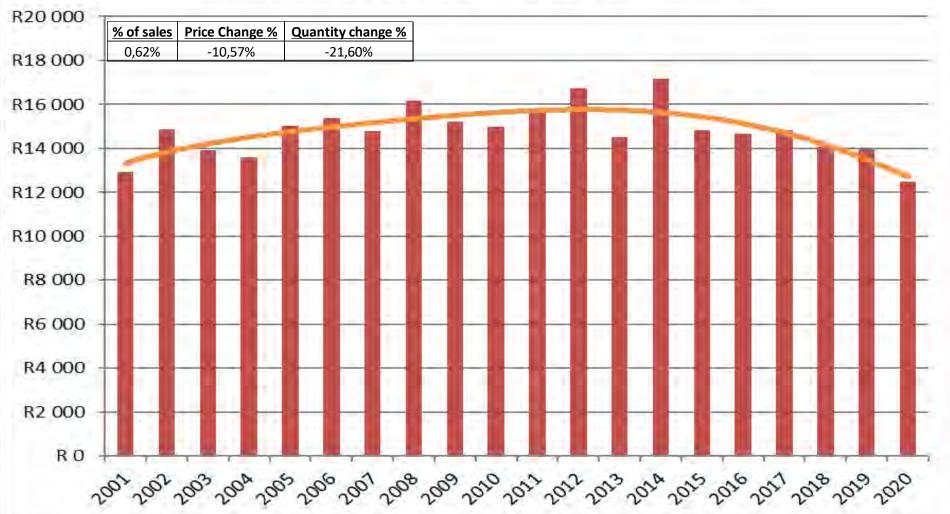












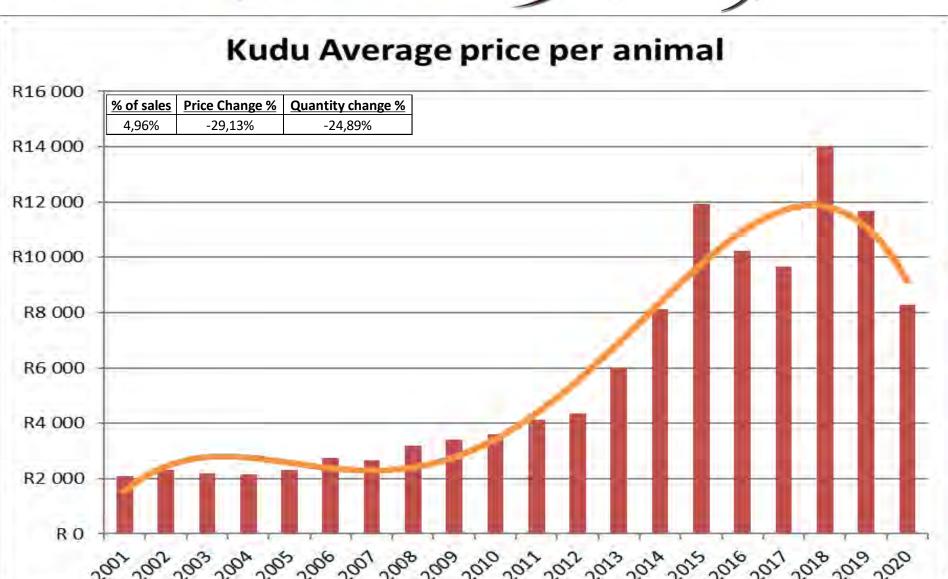














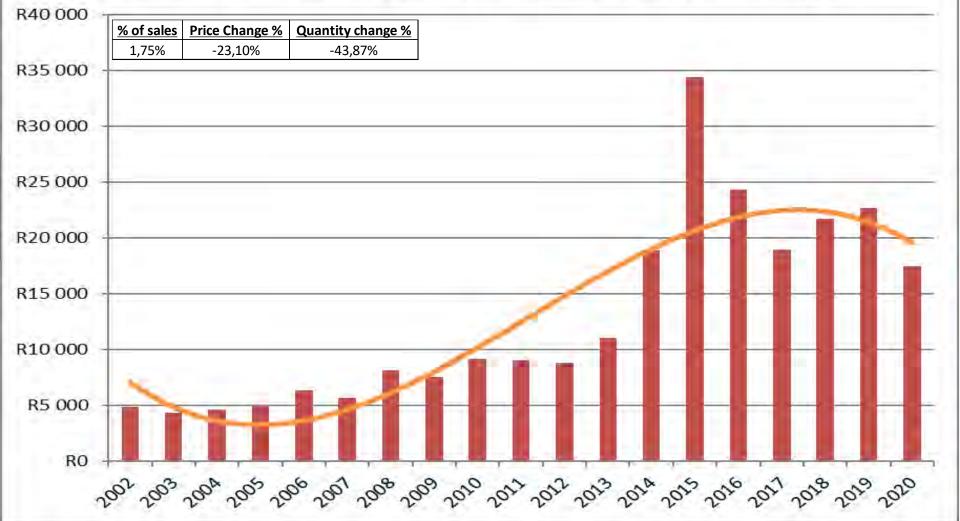














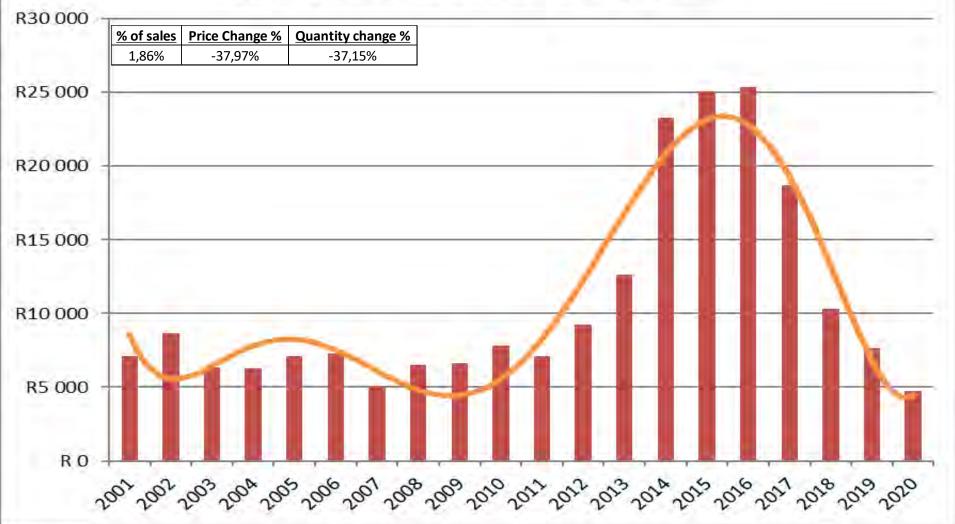








Njala Average price per animal



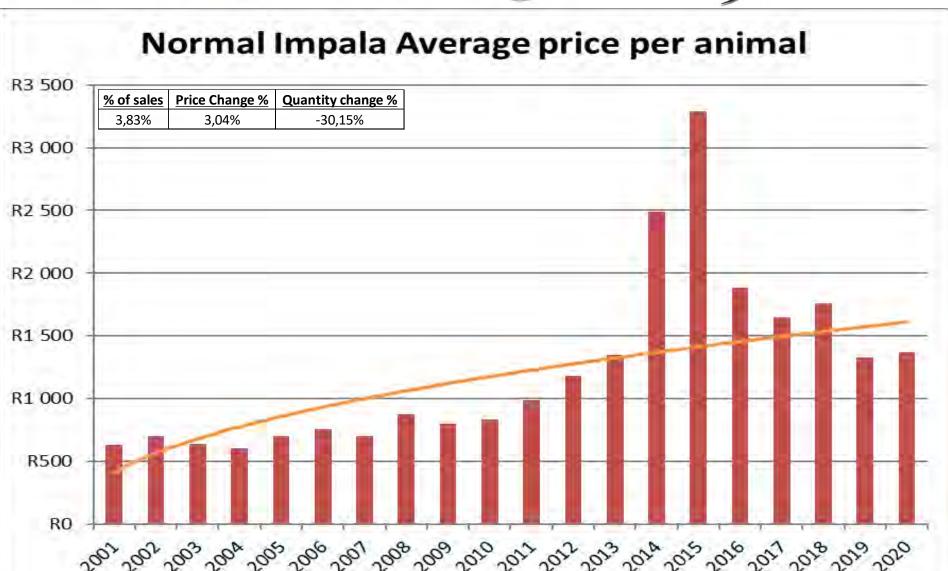














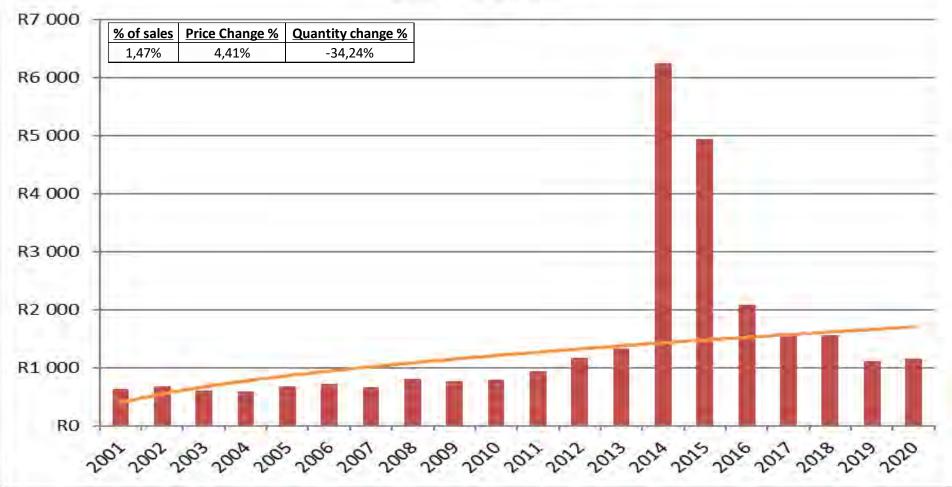








Normal Impala Average price per animal Ewe's only



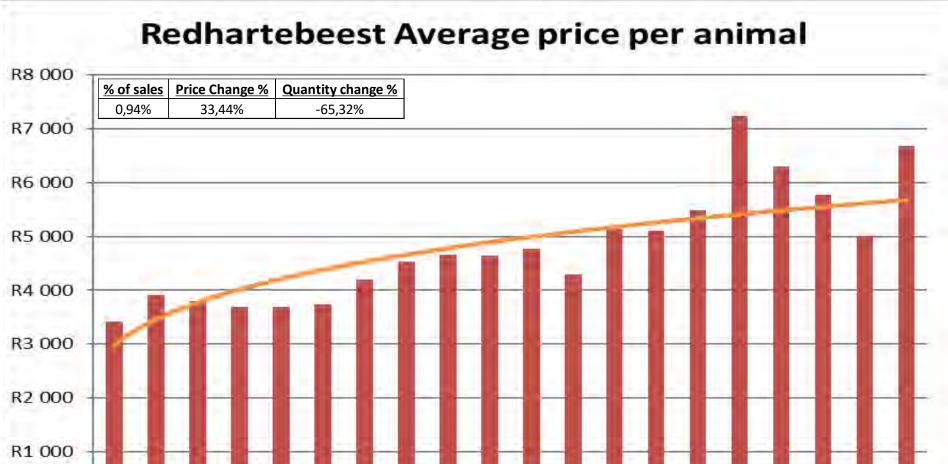


























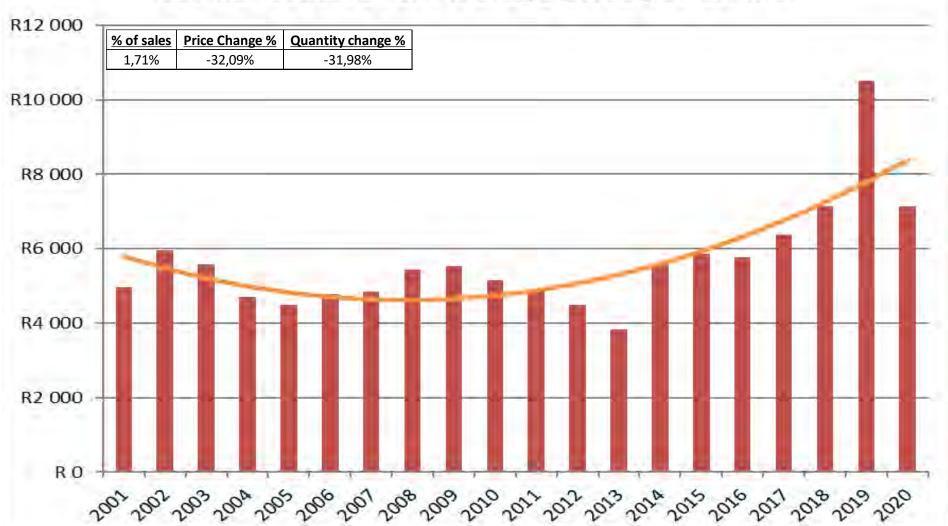




















- The game auction industry in South Africa is starting to evolve to cater for the major changes in the industry.
- These changes are forced on the market due to the reduction and reset in the rare game pricing and the substantial increase in demand for quality hunting game, mostly bulls.
- The demand in game species is completely moving away from a requirement for rare game breeding mostly to be dominated again by the hunting market and demand for quality hunting game.
- > We believe this trend is already prevalent in the market, whereby major specialised rare game auctions are now offering quality hunting animals as part of their product on auction.







- These changes in the market will force the game auction industry to adapt their strategies and cater for a shift in the demand and offerings available to adapt to these new waves sweeping the game industry.
- We believe the days of very expensive and elaborate auctions and marketing campaigns are something of the past.
- More and more game auctions are moving to change their offering and marketing campaigns to adjust to these major price reductions in the market and change in demand of their clients.
- No longer can game breeding associations afford the high cost of auctions and spend huge amounts of money on campaigns for these auctions.



- The average cost of these auctions need to be more in line to the new pricing of animals available and will force these associations to adjust their strategies to become more cost effective in selling and marketing of game on auctions.
- Market trends currently indicate that fewer major specialised game auctions will occur in the future and that more and more "mixed" game auctions will be the offering of the day.
- > This trend will also impact the number of rare breeding associations auctions in the future. This was already prevalent in the 2020 auction calendar year.
- > The pricing of game has also severely impacted on the agent market and there are very few game agents left in the industry.



We believe that in the future there will only be six to seven very specialised (rare game only)game auctions per season, offering exceptional genetics and quality animals for the breeding game market mostly. The rest of the auctions will be rare and hunting game auctions mixed offerings to the market. The market for 2020 indicates that the industry is slowly moving to five auction principles in the future namely:

- > Very specialised high quality game auctions, offering mostly exceptional genetics to the rare game breeding market;
- > Mixed auctions offering a broad spectrum of rare game as well as quality hunting game and a selection of normal plains game;
- > Plains game auctions with a selection of a few specialised hunting animals.
- > These auctions will mostly be regionally based and will offer game to the local market in the area and also cater for the fast growing game meat market;
- Online Timed and Real Time Auctions offering a wide spread of game to the market. This market segment is the fastest growing segment in the industry and is following the pattern of the rest of the world with the demand for cost effective online auctions. COVID-19 has also excelled the growth in the online market.









- The game industry is evolving and changing dramatically day to day and the market and auction industry will need to adapt quickly to these trends or certain players will not survive.
- > The ability to adapt and change strategies will be the driving force for industry players to survive this change in the industry.
- Low cost comprehensive auction solutions, offering a holistic approach to the industry will be a requirement to stay prevalent in the game industry.
- Analysing buying patterns and trends of current game auctions, indicates that the major rare game breeders are buying less and less animals on auction.
- > These breeders dominated the auction industry in the past but currently are only interested in buying exceptional genetics offered on auctions.



- > This trend has drastically reduced the demand on the specialised rare game auctions.
- > The market is therefore moving to a much wider spread of base clients dominated by major hunting farms and very interesting, new entrants to the game farm industry.
- > These new entrees are benefiting from the reduced game prices and therefore the barriers of entry have come down, allowing these new entrees to participate in the game industry market.
- Another big factor is the reduction of the number of people attending these large specialised auctions. The market will need to adjust and cater for these changes to ensure sustainability and continued growth in the industry.

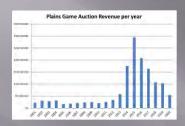


- The plains game and hunting market is currently the main driver behind the growth in the game industry.
- > The plains game industry is experiencing a shortfall in supply of game to the auction industry.
- > The past few months has seen a drastic drop in available quantities of game and we foresee this to continue in 2021.
- > This trend will most probably have an impact on the plains game pricing and we anticipate the prices of plains and hunting game to increase substantially in 2021 due to this shortfall.



- ➤ Information and technology will play a much bigger part in auctions in the future. Online auctions during hosted auctions will grow exponentially year on year. Online Internet auctions will become a major part of industry in future. 50% Of all auction income in 2020 were generated on the online media.
- ➤ WhatsApp, twitter and electronic marketing will continue to grow as a marketing medium.
- ➤ The offerings and marketing on the day will become more and more part of auctions.
- ➤ Agent marketing will become less and less due to the price decrease in game.













SUMMARY: AWA WILDLIFE TRENDS ANALYSIS FOR 2020



- The auction statistical data has been compiled from information obtained from websites, printed media and information available in the public domain.
- The views expressed in this document are those of African Wildlife Auctions and are based on information collated from the industry and feedback from customers.



You can contact the AWA team if you require any additional information regarding our future auctions on:

Johan du Toit 082 416 8888 Panayota Galanakis 079 340 1922 Alexi Rough 071 896 6301





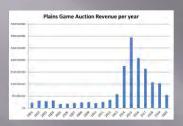






Prelimary Auction dates for 2021						
<u>Date of Auction</u>	<u>Day</u>	<u>Auction Name</u>	<u>Town/Premises</u>	<u>Auctioneer Name</u>	Auction Hosting details	Auction Category
<u>19 February 2021</u>	<u>Friday</u>	AWA Game Auction	<u>Vaalwater</u>	Mike Kilassy	Live Catalogue Auction	Rare and Plains Game
27 February 2021	<u>Saturday</u>	AWA Asset Auction	<u>Vaalwater</u>	<u>Pieter Heyns</u>	Live Hall Auction	Assets and Loose Tools
<u>13 March 2021</u>	<u>Saturday</u>	AWA Game Auction	<u>Vaalwater</u>	Mike Kilassy	Live Boma Auction	Rare and Plains Game
<u>26 March 2021</u>	<u>Friday</u>	AWA Game Auction	<u>Vaalwater</u>	<u>Online</u>	Online Boma Auction	Rare and Plains Game
<u>10 April 2021</u>	<u>Saturday</u>	AWA Game Auction	<u>Vaalwater</u>	Mike Kilassy	Live Boma Auction	Rare and Plains Game
<u>16 April 2021</u>	<u>Friday</u>	AWA Asset Auction	<u>Vaalwater</u>	<u>Online</u>	Timed Asset Auction	Assets and Loose Tools
<u>23 April 2021</u>	<u>Friday</u>	AWA Game Auction	<u>Vaalwater</u>	<u>Online</u>	Online Boma Auction	Rare and Plains Game
<u>07 May 2021</u>	<u>Friday</u>	AWA Game Auction	<u>Vaalwater</u>	<u>Online</u>	Online Boma Auction	Rare and Plains Game
<u>22 May 2021</u>	<u>Saturday</u>	AWA Game Auction	<u>Vaalwater</u>	Mike Kilassy	<u>Live Boma Auction</u>	Rare and Plains Game
<u>29 May 2021</u>	<u>Saturday</u>	AWA Asset Auction	<u>Vaalwater</u>	<u>Pieter Heyns</u>	Live Hall Auction	Assets and Loose Tools
<u>5 June 2021</u>	<u>Saturday</u>	GWP Game Auction	<u>Vaalwater</u>	Mike Kilassy	Live Boma Auction	Rare and Plains Game
<u>26 June 2021</u>	<u>Saturday</u>	AWA Game Auction	<u>Vaalwater</u>	Mike Kilassy	Live Boma Auction	Rare and Plains Game
9 July 2021	<u>Friday</u>	AWA Game Auction	<u>Vaalwater</u>	<u>Online</u>	Online Boma Auction	Rare and Plains Game
<u>24 July 2021</u>	<u>Saturday</u>	AWA Game Auction	<u>Vaalwater</u>	Mike Kilassy	Live Boma Auction	Rare and Plains Game
<u>31 July 2021</u>	<u>Saturday</u>	AWA Asset Auction	<u>Vaalwater</u>	<u>Pieter Heyns</u>	Live Hall Auction	Assets and Loose Tools
13 August 2021	<u>Friday</u>	AWA Game Auction	<u>Vaalwater</u>	<u>Online</u>	Online Boma Auction	Rare and Plains Game
28 August 2021	<u>Saturday</u>	AWA Game Auction	<u>Vaalwater</u>	Mike Kilassy	Live Boma Auction	Rare and Plains Game
<u>3 September 2021</u>	<u>Friday</u>	AWA Asset Auction	<u>Vaalwater</u>	<u>Online</u>	Timed Asset Auction	Assets and Loose Tools
<u>10 September 2021</u>	<u>Friday</u>	AWA Game Auction	<u>Vaalwater</u>	<u>Online</u>	Online Boma Auction	Rare and Plains Game
<u>25 September 2021</u>	<u>Saturday</u>	AWA Game Auction	<u>Vaalwater</u>	Mike Kilassy	Live Boma Auction	Rare and Plains Game
<u>15 October 2021</u>	<u>Friday</u>	AWA Game Auction	<u>Vaalwater</u>	<u>Online</u>	Online Boma Auction	Rare and Plains Game
<u>30 October 2021</u>	<u>Saturday</u>	AWA Game Auction	<u>Vaalwater</u>	Mike Kilassy	Live Boma Auction	Rare and Plains Game
<u>5 November 2021</u>	<u>Friday</u>	AWA Asset Auction	<u>Vaalwater</u>	<u>Online</u>	<u>Timed Asset Auction</u>	Assets and Loose Tools
<u> 4 December 2021</u>	<u>Saturday</u>	AWA Asset Auction	<u>Vaalwater</u>	Pieter Heyns	<u>Live Hall Auction</u>	Assets and Loose Tools
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THANK YOU