



# บริษัท สหกรณ์ประมูล จำกัด (มหาชน) Union Auction Public Company Limited

518/28 Soi Ramkhamhaeng 39 (Thepleela 1) Wangthonglang Bangkok 10310 Tel. 02-033-6555  
518/28 ซ.รามคำแหง 39 (เทพลีลา 1) แขวงจตุจักร เขตจตุจักร กรุงเทพฯ 10310 โทร. 02-033-6555

Registration No. 0107555000341

AUCT-OP 023/2022

11 November 2022

Subject: Management Discussion and Analysis for the 3<sup>rd</sup> quarter of 2022, ended 30 September 2022

To: The President of the Stock Exchange of Thailand

Union Auction Public Company Limited (“the Company”) would like to submit the financial statements for the 3<sup>rd</sup> quarter of 2022 ended 30 September 2022. They were reviewed by the Company’s external auditor together with the explanation of the Management Discussion and Analysis for the Company’s operating results as follows:

## The performance of the 3<sup>rd</sup> quarter of 2022

(Unit: Million Baht)

Statement of Comprehensive Income	The 3 <sup>rd</sup> quarter			Q2/2022	%QoQ	9-month		
	2022	2021	%YoY			2022	2021	%YoY
Revenue from services	249.44	220.70	13.0%	202.84	23.0%	659.55	658.72	0.1%
Other revenues	1.31	0.34	285.3%	1.32	(0.8%)	3.47	1.62	114.9%
<b>Total revenues</b>	<b>250.75</b>	<b>221.04</b>	<b>13.4%</b>	<b>204.16</b>	<b>22.8%</b>	<b>663.02</b>	<b>660.34</b>	<b>0.4%</b>
Cost of services	124.03	106.67	16.3%	104.25	19.0%	337.62	316.14	6.8%
Gross profit	125.41	114.03	10.0%	98.59	27.2%	321.93	342.58	(6.0%)
Gross profit margin (%)	50.3%	51.7%	(1.4%)	48.6%	1.7%	48.8%	52.0%	(3.2%)
Sales, service and administrative expenses	34.96	32.77	6.7%	37.09	(5.7%)	108.44	107.11	1.2%
Profit before financial cost and income tax	91.75	81.62	12.4%	62.81	46.1%	216.96	237.09	(8.5%)
Financial Cost	6.30	5.74	9.8%	6.36	(0.9%)	18.37	17.40	5.6%
Income tax	18.59	15.74	18.0%	11.82	57.3%	41.86	45.11	(7.2%)
<b>Net profit</b>	<b>66.86</b>	<b>60.13</b>	<b>11.2%</b>	<b>44.65</b>	<b>49.7%</b>	<b>156.73</b>	<b>174.58</b>	<b>(10.2%)</b>
<b>Net profit margin (%)</b>	<b>26.7%</b>	<b>27.2%</b>	<b>(0.5%)</b>	<b>21.9%</b>	<b>4.8%</b>	<b>23.6%</b>	<b>26.4%</b>	<b>(2.8%)</b>

Remarks: %YoY is the rate of change compared to the previous year and %QoQ is the rate of change Compared to the previous quarter.

**Revenue from services is consists of:**

(Unit: Million Baht)

Revenue from services	The 3 <sup>rd</sup> quarter			Q2/2022	%QoQ	9-month		
	2022	2021	%YoY			2022	2021	%YoY
1) Revenue from auctions	212.90	189.06	12.6%	172.56	23.4%	563.49	572.94	(1.6%)
2) Revenue from transportation and additional services	36.54	31.64	15.5%	30.28	20.7%	96.06	85.78	12.0%
<b>Total</b>	<b>249.44</b>	<b>220.70</b>	<b>13.0%</b>	<b>202.84</b>	<b>23.0%</b>	<b>659.55</b>	<b>658.72</b>	<b>0.1%</b>

**Total revenues**

The Company's total revenues for the 3<sup>rd</sup> quarter of 2022 were 250.75 million Baht increased by 29.71 million Baht or 13.4% compared with the 3<sup>rd</sup> quarter of 2021. It was caused by an increase in the vehicle volume of auctioned after the relaxation of government measures to make the economy more flexible together with the measures to help debtors of financial institutions have gradually ended including the Company had organized auction activities with partners periodically. In August 2022, the Company had increased operating fees for cars and 6-wheel vehicles to 10,000 Baht and 12,000 Baht, respectively, resulting in the total revenues in the 3<sup>rd</sup> quarter of 2022 increasing from the 3<sup>rd</sup> quarter of 2021.

For the 9-month of 2022, the Company had revenue from services in the amount of 663.02 million Baht increased by 2.69 million Baht or 0.4% compared with the same period of the year 2021.

**Cost of services**

The cost of services in the 3<sup>rd</sup> quarter of 2022 is equal to 124.03 million Baht increased by 17.36 million Baht or 16.3% compared with the 3<sup>rd</sup> quarter of 2021. It was caused by the cost of depreciation of the right of use under the lease agreement from the increasing of lease place in the head office area to accommodate the volume of seized vehicles that will flow into the auction process after the end of the debt moratorium. In addition, the moving costs increased from rising fuel prices.

For the 9-month of 2022, the Company's cost of services is equal to 337.62 million Baht increased by 6.8% compared with the same period of the year 2021. The main cause was the depreciation of the right of use the area as above mentioned, the rising moving costs result from growing services and the rise in fuel prices including there is an organized cost of other auctions besides cars and motorcycles.

**Gross profit**

The gross profit in the 3<sup>rd</sup> quarter of 2022 is equal to 125.40 million Baht increased by 11.37 million Baht or 10.0% compared with the 3<sup>rd</sup> quarter of 2021. The main cause was an increase in the revenue from auctions while the cost of services increasing resulted in the gross profit margin decreasing by 1.4% compared with the same period of the previous year.

For the 9-month of 2022, the gross profit is equal to 321.93 million Baht decreased by 20.65 million Baht or 6.0% and the gross profit margin were 48.8% decreased by 3.2% compared with the same period of the year 2021. Due to the auction vehicle volume during the first 3 months of the year 2022 decreased from the same period last year since the measures to help debtors of financial institutions meanwhile most of the service costs are fixed costs.

#### **Sales, service and administrative expenses**

The expenses of sales, services, and administrative in the 3<sup>rd</sup> quarter of 2022 is equal to 34.96 million Baht increased by 2.19 million Baht compared with the 3<sup>rd</sup> quarter of 2021. It was caused by an increase in employee expenses in the 3<sup>rd</sup> quarter of 2022 to support the expansion of the Company.

For the 9-month of 2022, the expenses of sales, services, and administrative is equal to 108.44 million Baht increased by 1.2% compared with the same period of the previous year.

#### **Finance cost**

The financial cost in the 3<sup>rd</sup> quarter of 2022 is equal to 6.30 million Baht increased by 0.56 million Baht or 9.8% compared with the 3<sup>rd</sup> quarter of 2021 and the financial cost in the 9-month of 2022 is equal to 18.37 million Baht increased by 5.6% compared with the same period of the previous year due to an increase in the lease place in the head office area.

The finance costs are calculated by discounted interest in the lease liability recognized at the present value of the lease payable over the term of the lease without actual interest payments.

#### **Net Profit**

The Company's net profit in the 3<sup>rd</sup> quarter of 2022 was 66.88 million Baht increased by 6.75 million Baht or 11.2% compared with the 3<sup>rd</sup> quarter of 2021. The net profit in the 9-month of 2022 is equal to 156.74 million Baht decreased by 10.2% from the same quarter of the previous year. The mostly cause was a decrease in the vehicles auction-off in the 1<sup>st</sup> quarter of 2022 and a lease of additional area in the head office to accommodate the volume of seized vehicles after the end of the debt moratorium. The vehicle moving cost is high due to rising fuel prices.

#### **Statement of Financial Position and Financial Ratio**

(Unit: Million Baht)

<b>Statement of Financial Position</b>	<b>30 September 2022</b>	<b>31 December 2021</b>	<b>% ▲</b>
Total Assets	1,745.28	1,825.55	(4.40%)
Total Liabilities	1,285.73	1,286.23	(0.04%)
Owner's Equity	459.55	539.32	(14.79%)
Unappropriated Retained Earnings	124.30	204.07	(39.09%)
ROE (%)	51.77	48.99	
D/E (time(s))	2.80	2.38	

The total assets as of 30 September 2022 were 1,745.28 million Baht decreased by 80.27 million Baht. The most cause was a decrease in cash and cash equivalents from car payments. Other current financial assets were decreased since the interim dividend payment. Right-of-use assets was increased from a lease of additional area to accommodate the volume of seized vehicles after the end of the debt moratorium as above mentioned.

The total liabilities were 1,285.73 million Baht decreased by 0.50 million Baht compared with the balance as of 31 December 2021. The main cause is a trade account payable and other payables have been decreased while the additional area rental resulted in the increase of lease liability under the lease agreement.

The total shareholders' equity is equal to 459.55 million Baht decreased by 79.77 million Baht from the balance as of 31 December 2021. Due to the dividend payment in May and September 2022 in the amount of 236.49 million Baht. Meanwhile, the return on equity ratio (ROE) and the debt to equity ratio (D/E) were increased.

### **Cash Flows Statement**

(Unit: Million Baht)

Cash Flows Statement	For the 9-month period			
	2022	2021	Difference	%YoY
Net Cash Flows from Operating Activities	184.05	429.83	(245.78)	(57.18%)
Net Cash Flows (used) in Investing Activities	40.00	(144.33)	104.33	72.29%
Net Cash Flows (used) in Financing Activities	(302.63)	(276.46)	26.17	9.47%
<b>Cash Increase (Decrease)</b>	<b>(78.58)</b>	<b>(9.06)</b>	<b>69.52</b>	<b>(767.33%)</b>
Beginning Cash	167.50	193.36	(25.86)	(13.37%)
<b>Ending Cash</b>	<b>88.92</b>	<b>202.42</b>	<b>(113.50)</b>	<b>(56.07%)</b>

For the year 2022, the Company had net cash flow from operating activities in the amount of 184.05 million Baht decreased by 245.78 million Baht and net cash flow used from investing activities were 40.00 million Baht increased by 104.33 million Baht from the year 2021 due to the Company has short-term investments in the form of fixed deposits with banks. The net cash flow used in financing activities increased from the dividend payment and the payment of land rent under the lease agreement. The remaining ending cash equal to 88.92 million Baht decreased by 56.07% from the same period of the year 2021. However, the Company has still a stable financial position and high liquidity as well as having sufficient access to a variety of funding sources.

### **Business trends**

The consumer confidence index has been increased continually after the Covid situation in the country has eased and the business can be usually opened as well as relief for foreign tourists to travel into the country more conveniently. These matters are positive factors that result in an increase of the consumer confidence index. In addition, the gasoline prices were down from the first half-year and the electronics component shortage began to ease, resulting in new car sales in the 3<sup>rd</sup> quarter of 2022 increasing by 30.0% compared with the 3<sup>rd</sup> quarter of 2021 and increasing by 5.2% compared with the 2<sup>nd</sup> quarter of 2022 which is a good direction signal for the vehicle business. At the same time, although the car loan proportion remained stable but the quality of car loans began to increase together with the end of the debt moratorium,

resulting in the direction of the vehicle entering the auction business moving up continually. The company is in the process of planning and studying to add more places to support the vehicles' volume to be appropriated and keep up with the situation.

Please be informed accordingly.

Yours sincerely,

*=Varunyoo Sila=*

(Mr. Varunyoo Sila)

Director and Chief Executive Officer

Authorized signatory

Company Secretary/ Investor Relations

E-mail: [secretary@auct.co.th](mailto:secretary@auct.co.th)/ [investor@auct.co.th](mailto:investor@auct.co.th)