



บริษัท สหกรณ์ประมูล จำกัด (มหาชน) Union Auction Public Company Limited

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518/28 ซ.รามคำแหง 39 (เทพลีลา 1) แขวงวังทองหลาง เขตวังทองหลาง กรุงเทพฯ 10310 โทร. 02-033-6555

Registration No. 0107555000341

AUCT-OP 003/2023

17 February 2023

Subject: Management Discussion and Analysis for the year 2022, ended 31 December 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 year 2022 ended 31 December 2022. They were audited 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 4th quarter of 2022 and the year 2022

(Unit: Million Baht)

Statement of Comprehensive Income	The 4 th quarter of			Q3/2022	%QoQ	2022	2021	%YoY
	2022	2021	%YoY					
Revenue from services	287.53	238.11	20.8%	249.44	15.3%	947.08	896.83	5.6%
Other revenues	2.64	3.25	(18.8%)	1.31	100.8%	6.11	4.86	25.5%
Total revenues	290.17	241.36	20.2%	250.75	15.7%	953.19	901.69	5.7%
Cost of services	134.39	103.56	29.8%	124.03	8.3%	472.01	419.70	12.5%
Gross profit	153.14	134.55	13.8%	125.40	22.1%	475.07	477.13	(0.4%)
Gross profit margin (%)	53.3%	56.5%	(3.2%)	50.3%	3.0%	50.2%	53.2%	(3.0%)
Sales, service and administrative expenses	31.30	29.75	5.2%	34.96	(10.5%)	139.74	136.86	2.1%
Profit before financial cost and income tax	124.48	108.05	15.2%	91.75	35.7%	341.43	345.14	(1.1%)
Financial Cost	6.15	5.67	8.5%	6.30	(2.3%)	24.52	23.07	6.3%
Income tax	23.80	20.87	14.1%	18.59	28.0%	65.67	65.97	(0.5%)
Net profit	94.52	81.51	16.0%	66.86	41.4%	251.25	256.09	(1.9%)
Net profit margin (%)	32.6%	33.8%	(1.2%)	26.7%	5.9%	26.4%	28.4%	(2.0%)

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 4 th quarter of			Q3/2022	%QoQ	2022	2021	%YoY
	2022	2021	%YoY					
1) Revenue from auctions	254.63	209.62	21.5%	220.49	15.5%	836.70	797.58	4.9%
2) Revenue from transportation and additional services	32.89	28.49	15.5%	28.94	13.6%	110.38	99.25	11.2%
Total	287.53	238.11	20.8%	249.43	15.3%	947.08	896.83	5.6%

The Company's revenue from services for the 4th quarter of 2022 were 287.53 million Baht increased by 49.42 million Baht or 20.8% compared with the 4th quarter of 2021. It was caused by the measures to help debtors of financial institutions have ended resulting in the increased volume of cars entering the auction yard. In August 2022, the Company raised operating fees for cars to 10,000 Baht and Big Bike to 3,000 Baht in November 2022. The revenue from moving services after the auction to customers also increased.

In 2022, the Company had revenue from services in the amount of 947.08 million Baht increased by 50.25 million Baht or 5.6% compared with the year 2021 due to the increase in operating fees in the year 2022.

Cost of services

The cost of services in the 4th quarter of 2022 is equal to 134.39 million Baht increased by 30.83 million Baht or 29.8% compared with the 4th quarter of 2021. Mainly from 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 as expected. In addition, the transportation costs increased from rising fuel prices and other auction costs to increase efficiency and improve service levels for customers who come to use the auction house.

In 2022, the Company's cost of services is equal to 472.01 million Baht increased by 12.5% compared with the year 2021. Due to the increase of the depreciation of the right of use the area, the transportation costs, and the other auction costs are as above mentioned which began to increase in the second half of the year.

Gross profit

The gross profit in the 4th quarter of 2022 is equal to 153.14 million Baht increased by 18.59 million Baht or 13.8% compared with the 4th quarter of 2021 according to the increased in the revenue from auctions. However, the gross profit margin decreasing by 3.2% compared with the same period of the previous year.

In 2022, the gross profit is equal to 475.07 million Baht decreased by 2.06 million Baht or 0.4% and the gross profit margin were 50.2% decreased by 3.0% compared with the year 2021.

Sales, service and administrative expenses

The expenses of sales, services, and administrative in the 4th quarter of 2022 is equal to 31.30 million Baht increased by 1.55 million Baht compared with the 4th quarter of 2021. It was caused by an increase in employee expenses to support the expansion of the Company.

In 2022, the expenses of sales, services, and administrative is equal to 139.74 million Baht increased by 2.1% compared with the previous year mainly from an increase in employee expenses too.

Finance cost

The financial cost in the 4th quarter of 2022 is equal to 6.15 million Baht increased by 0.48 million Baht or 8.5% compared with the 4th quarter of 2021 and the financial cost in the year 2022 is equal to 24.52 million Baht increased by 6.3% compared with 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 4th quarter of 2022 was 94.52 million Baht increased by 13.01 million Baht or 16.0% compared with the 4th quarter of 2021. The 2022 net profit is equal to 251.25 million Baht decreased by 1.9% from the previous year.

Statement of Financial Position and Financial Ratio

(Unit: Million Baht)

Statement of Financial Position	31 December 2022	31 December 2021	% ▲
Total Assets	1,806.48	1,825.55	(1.04%)
Total Liabilities	1,252.40	1,286.23	(2.63%)
Owner's Equity	554.08	539.32	2.74%
Unappropriated Retained Earnings	218.83	204.07	7.23%
ROA (%)	18.80	19.15	
ROE (%)	45.96	48.99	
D/E (time(s))	2.26	2.38	

The total assets as of 31 December 2022 were 1,806.48 million Baht decreased by 19.07 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 1,252.40 million Baht decreased by 33.83 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 554.08 million Baht increased by 14.76 million Baht from the balance as of 31 December 2021 due to the net profit in the period and the decrease from the dividend payment in May and September 2022 in the amount of 236.49 million Baht.

Cash Flows Statement

(Unit: Million Baht)

Cash Flows Statement	2022	2021	Difference	%YoY
Net Cash Flows from Operating Activities	299.98	437.95	(137.97)	(31.50%)
Net Cash Flows (used) in Investing Activities	(48.15)	(168.17)	120.02	71.37%
Net Cash Flows (used) in Financing Activities	(320.97)	(295.64)	(25.33)	(8.57%)
Cash Increase (Decrease)	(69.13)	(25.86)	(43.27)	167.33%
Beginning Cash	167.50	193.36	(25.86)	(13.37%)
Ending Cash	98.37	167.50	(69.13)	(41.27%)

In 2022, the Company had net cash flow from operating activities in the amount of 299.98 million Baht decreased by 137.97 million Baht and net cash flow used from investing activities were 48.15 million Baht increased by 120.02 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 98.37 million Baht decreased by 69.13% from 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

As the COVID situation in the country continues to be better, business is back to normal operation, as well as the arrival of foreign tourists faster than expected, consumers expect that the economy is improving, resulting in the consumer confidence index continued to recover. In addition, there are signs showing a good direction for the vehicle business which results from an increase in the proportion of vehicle loans according to the rise in new car sales. New car sales in the year 2022 increased by 11.9 percent from the year 2021. While non-performing loans grew together with the end of the debt suspension period as well, therefore, the direction of the increase of vehicles entering the auction business trend to increase continuously. The company is in the process of adding a car storage facility (warehouse) as planned for supporting the volume of cars as well as planning to expand the auction to more regions

Please be informed accordingly.

Yours sincerely,

=Varunyoo Sila=

(Mr. Varunyoo Sila)

Director and Chief Executive Officer

Authorized signatory

Company Secretary/ Investor Relations

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