



# 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) แขวงวังทองหลาง เขตวังทองหลาง กรุงเทพฯ 10310 โทร. 02-033-6555

Registration No. 0107555000341

AUCT-OP 015/2023

11 August 2023

Subject: Management Discussion and Analysis for the 2<sup>nd</sup> quarter of 2023, ended 30 June 2023

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 2<sup>nd</sup> quarter of 2023 ended 30 June 2023. 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 2<sup>nd</sup> quarter of 2023**

(Unit: Million Baht)

| Statement of<br>Comprehensive Income        | The 2 <sup>nd</sup> quarter |               |              | 1Q/2023       | %QoQ           | 6-month       |               |              |
|---------------------------------------------|-----------------------------|---------------|--------------|---------------|----------------|---------------|---------------|--------------|
|                                             | 2023                        | 2022          | %YoY         |               |                | 2023          | 2022          | %YoY         |
| Revenue from services                       | 268.62                      | 202.84        | 32.4%        | 307.38        | (12.6%)        | 576.00        | 410.11        | 40.4%        |
| Other revenues                              | 2.06                        | 1.32          | 55.9%        | 1.06          | 95.2%          | 3.12          | 2.15          | 44.8%        |
| <b>Total revenues</b>                       | <b>270.68</b>               | <b>204.16</b> | <b>32.6%</b> | <b>308.44</b> | <b>(12.2%)</b> | <b>579.12</b> | <b>412.26</b> | <b>40.5%</b> |
| Cost of services                            | (140.06)                    | (104.25)      | 34.4%        | (145.30)      | (3.6%)         | (285.36)      | (213.59)      | 33.6%        |
| Gross profit                                | 128.56                      | 98.59         | 30.4%        | 162.08        | (20.7%)        | 290.64        | 196.52        | 47.9%        |
| Gross profit margin (%)                     | 47.9%                       | 48.6%         | (0.7%)       | 52.7%         | (4.9%)         | 50.5%         | 47.9%         | 2.5%         |
| Sales, service and administrative expenses  | (42.81)                     | (37.09)       | 15.4%        | (37.28)       | 14.8%          | (80.09)       | (73.48)       | 9.0%         |
| Profit before financial cost and income tax | 87.81                       | 62.83         | 39.8%        | 125.86        | (30.2%)        | 213.67        | 125.20        | 70.7%        |
| Financial Cost                              | (6.06)                      | (6.36)        | (4.7%)       | (6.10)        | (0.6%)         | (12.16)       | (12.07)       | 0.8%         |
| Income tax                                  | (16.54)                     | (11.82)       | 39.9%        | (24.07)       | (31.3%)        | (40.61)       | (23.27)       | 74.5%        |
| <b>Net profit</b>                           | <b>65.21</b>                | <b>44.65</b>  | <b>46.0%</b> | <b>95.69</b>  | <b>(31.9%)</b> | <b>160.90</b> | <b>89.86</b>  | <b>79.0%</b> |
| <b>Net profit margin (%)</b>                | <b>24.1%</b>                | <b>21.9%</b>  | <b>2.2%</b>  | <b>31.0%</b>  | <b>(6.9%)</b>  | <b>27.8%</b>  | <b>21.8%</b>  | <b>6.0%</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 2 <sup>nd</sup> quarter |               |              | 1Q/2023       | %QoQ           | 6-month       |               |              |
|--------------------------------------------------------|-----------------------------|---------------|--------------|---------------|----------------|---------------|---------------|--------------|
|                                                        | 2023                        | 2022          | %YoY         |               |                | 2023          | 2022          | % YoY        |
| 1) Revenue from auctions                               | 222.02                      | 172.56        | 28.7%        | 240.04        | (7.5%)         | 462.06        | 338.06        | 36.7%        |
| 2) Revenue from transportation and additional services | 46.60                       | 30.28         | 53.9%        | 67.34         | (30.8%)        | 113.94        | 72.05         | 58.1%        |
| <b>Total</b>                                           | <b>268.62</b>               | <b>202.84</b> | <b>32.4%</b> | <b>307.38</b> | <b>(12.6%)</b> | <b>576.00</b> | <b>410.11</b> | <b>40.5%</b> |

The Company's revenue from services for the 2<sup>nd</sup> quarter of 2023 was 268.62 million Baht increased by 65.78 million Baht or 32.4% compared with the 2<sup>nd</sup> quarter of 2022 due to there was an increase in vehicles entering the auction and ended auction vehicles volume from the end of measures to help debtors of financial institutions. Together with the Company raised operating fees for cars to 10,000 Baht since August 2022, and Big Bike fees to 3,000 Baht since November 2022 including the revenue from transportation services after the auction to customers also increased according to the ended auction vehicles volume.

For the first 6-month of 2023, the Company's revenue from services is equal to 576 million Baht increased by 165.89 million Baht or 40.4% compared with the same period of 2022.

#### **Cost of services**

The cost of services in the 2<sup>nd</sup> quarter of 2023 is equal to 140.06 million Baht increased by 35.81 million Baht or 34.4% compared with the 2<sup>nd</sup> quarter of 2022. Mainly from the auction cost that varies the volume of ended auction vehicles such as transportation costs and auction expenses.

For the first 6-month of 2023 the cost of services is equal to 285.36 million Baht increased by 71.77 million Baht or 33.6% compared with the same period of 2022.

#### **Gross profit**

The gross profit in the 2<sup>nd</sup> quarter of 2023 is equal to 128.56 million Baht increased by 29.97 million Baht or 30.4% compared with the 2<sup>nd</sup> quarter of 2022 according to the increased in the revenue from auctions. The gross profit margin decreased by 0.7% compared with the 2<sup>nd</sup> quarter of 2022 due to the transportation costs increase according to the volume of vehicles that flow into the auction and other auction costs for increasing efficiency and upgrading services.

For the first 6-month of 2023, the gross profit is equal to 290.64 million Baht increased by 94.12 million Baht or 47.9% compared with the same period of 2022, and the gross profit margin was 50.5% increased by 47.9% compared with the same period of 2022.

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

The expenses of sales, services, and administrative in the 2<sup>nd</sup> quarter of 2023 are equal to 42.81 million Baht increased by 5.72 million Baht or 15.4% compared with the 2<sup>nd</sup> quarter of 2022.

For the first 6-month of 2023, the expenses of sales, services, and administrative are equal to 80.09 million Baht increased by 6.61 million Baht of 9.0% compared with the same period of the previous year.

### **Finance cost**

The financial cost in the 2<sup>nd</sup> quarter of 2023 is equal to 6.06 million Baht decreased by 0.3 million Baht or 4.7% compared with the 2<sup>nd</sup> quarter of 2022. For the first 6-month of 2023, the financial cost is equal to 12.16 million Baht increased by 0.8% the same period of 2022.

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 2<sup>nd</sup> quarter of 2023 was 65.21 million Baht increased by 20.56 million Baht or 46.0% compared with the 2<sup>nd</sup> quarter of 2022. It decreased by 30.48 million Baht or 31.9% from the 1<sup>st</sup> quarter of 2023.

For the first 6-month of 2023, the net profit is equal to 160.90 million Baht increased by 71.04 million Baht or 79.0% compared with the same period of the previous year.

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

(Unit: Million Baht)

| <b>Statement of Financial Position</b> | <b>30 June 2023</b> | <b>31 December 2022</b> | <b>% ▲</b> |
|----------------------------------------|---------------------|-------------------------|------------|
| Total Assets                           | 1,901.41            | 1,806.48                | 5.25%      |
| Total Liabilities                      | 1,354.18            | 1,252.40                | 8.13%      |
| Owner's Equity                         | 547.23              | 554.08                  | (1.24%)    |
| Unappropriated Retained Earnings       | 211.98              | 218.83                  | (3.13%)    |
| ROA (%)                                | 23.01               | 18.80                   |            |
| ROE (%)                                | 63.04               | 45.96                   |            |
| D/E (time(s))                          | 2.47                | 2.26                    |            |

The total assets as of 30 June 2023 were 1,901.41 million Baht increased by 94.93 million Baht. The most cause was an increase in cash and cash equivalents from the increase in car payments. While the other current financial assets decreased due to the 2023 dividend payment for the performance of July to December 2022.

The total liabilities were 1,354.18 million Baht increased by 101.78 million Baht compared with the balance as of 31 December 2022. The main cause was a trade account payable and other payables that are waiting for payment within 4 - 7 days and the increased corporate income tax payable.

The total shareholders' equity is equal to 547.23 million Baht decreased by 6.85 million Baht from the balance as of 31 December 2022 due to the 2023 dividend payment additional from the interim payment in the amount of 167.75 million Baht.

## Cash Flows Statement

(Unit: Million Baht)

| Cash Flows Statement                          | For the 6 months period |                |               |                |
|-----------------------------------------------|-------------------------|----------------|---------------|----------------|
|                                               | 2023                    | 2022           | Difference    | %YoY           |
| Net Cash Flows from Operating Activities      | 347.89                  | 129.02         | 218.87        | 169.64%        |
| Net Cash Flows (used) in Investing Activities | 42.72                   | 32.41          | 10.31         | 31.82%         |
| Net Cash Flows (used) in Financing Activities | (215.36)                | (190.86)       | (24.50)       | (12.83%)       |
| <b>Cash Increase (Decrease)</b>               | <b>175.25</b>           | <b>(29.43)</b> | <b>145.82</b> | <b>495.41%</b> |
| Beginning Cash                                | 98.37                   | 167.50         | (69.13)       | (41.27%)       |
| <b>Ending Cash</b>                            | <b>273.62</b>           | <b>138.07</b>  | <b>135.55</b> | <b>98.18%</b>  |

For the first 6-month of 2023, the Company had net cash flow from operating activities in the amount of 347.89 million Baht increased by 218.87 million Baht and net cash flow used from investing activities were 42.72 million Baht increased by 10.31 million Baht compared with the first 6-month of 2022. It was caused by the net cash received from other current financial assets increased by 33.15 million Baht, meanwhile, the company invested to improve the area of the head office, branches and warehouses, increasing by 24.03 million Baht to increase the service quality and support the increasing vehicle volumes. The net cash flow used in financing activities increased from the payment of land rent and the interest under the lease agreement. The remaining ending cash equal to 273.62 million Baht. 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

In June 2023, the consumer confidence index improved because consumers feel better about economic conditions due to the beginning of tourism recovery, together with the decline in oil prices during the 2<sup>nd</sup> quarter and the reduction in variable electricity costs, which is a supporting factor for improving consumer confidence. At the same time, there is continued demand for household loans, especially credit card loans. The growth rate of auto loans tends to slow down according to a 12.9% decreased from new car sales compared to the 1<sup>st</sup> quarter of 2023 and a decrease in the credit approval rate due to financial institutions increasing their strictness in granting auto loans. However, car loans on non-performing loans (NPL) continued to grow at an increasing rate since the end of debt moratorium and debt restructuring measures. This is a significant factor that drives more vehicles to flow into the auction business. At the present, the Company continues to accelerate the auction expansion plan to the region after a slowdown during the COVID period as well as accelerated to increase of car storage areas (warehouses) to complete as planned and continuously develop warehouses for a good standard.

Please be informed accordingly.

Company Secretary/ Investor Relations

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