



บริษัท สหการประมูล จำกัด (มหาชน)
Union Auction Public Company Limited

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

Registration No. 0107555000341

AUCT-OS 012/2024

10 May 2024

Subject: Management Discussion and Analysis for the 1st quarter of 2024, ending 31 March 2024

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 1st quarter of 2024 ending 31 March 2024. 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 1st quarter of 2024

(Unit: Million Baht)

Statement of Comprehensive Income	The 1 st quarter of			Q4/2023	%QoQ
	2024	2023	%YoY		
Revenue from services	342.82	307.38	11.5%	329.35	4.1%
Other revenues	2.56	1.06	142.5%	3.51	(26.9%)
Total revenues	345.38	308.44	12.0%	332.86	3.8%
Cost of services	148.09	145.18	2.0%	167.74	(11.7%)
Gross profit	194.73	162.20	20.1%	161.61	20.5%
Gross profit margin (%)	56.8%	52.8%	4.0%	49.1%	7.7%
Service and administrative expenses	41.75	37.40	11.6%	41.87	(0.3%)
Profit before financial cost and income tax	155.54	125.86	23.6%	123.25	23.4%
Financial Cost	6.23	6.10	2.0%	5.99	4.0%
Income tax	29.56	24.07	22.8%	24.10	22.6%
Net profit	119.76	95.69	25.2%	93.16	28.6%
Net profit margin (%)	34.7%	31.0%	3.7%	28.0%	6.7%

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 consists of:

(Unit: Million Baht)

Revenue from services	The 1 st quarter of			Q4/2023	%QoQ
	2024	2023	%YoY		
1) Revenue from auctions	280.80	240.04	17.0%	272.75	3.0%
2) Revenue from transportation and additional services	62.02	67.34	(7.9%)	56.60	9.6%
Total	342.82	307.38	11.5%	329.35	4.1%

The Company's revenue from services for the 1st quarter of 2024 was 342.82 million Baht increased by 35.44 million Baht or 11.5% compared to the same period of the previous year. In the 1st quarter of 2024, revenue from auctions was 280.80 million Baht increased from the same period of the previous year by 40.76 million Baht or 17.0% of revenue from services and increased by 8.05 million Bath or 3.0% of revenue from services compared to the 4th quarter of 2023, due to the increase in the volume of vehicles entering the auction yard and the volume of vehicles auction ended, including a slowing auction success rate during the 4th quarter of 2023, and well improved in the 1st quarter of 2024 resulting in more vehicle auctions ending.

Revenue from transportation and additional services for the 1st quarter of 2024 was 62.02 million Baht decreased from the same period of the previous year by 5.32 million Baht or 7.9% of revenue from services due to the Company having additional revenue from auctions organized for the government agencies in the 1st quarter of 2023 and increased from the 4th quarter of 2023 by 5.42 million Baht or 9.6% of revenue from services according to the increase in auction revenues.

Cost of services

The cost of services in the 1st quarter of 2024 is equal to 148.09 million Baht increased by 2.91 million Baht or 2.0% compared to the same period of the previous year. Mainly from the auction costs that varies the volume of vehicles auction ending such as transportation costs and auction expenses which vary according to the volume of vehicles auction ending. However, it was decreased by 19.66 million Baht or 11.7% compared to the 4th quarter of 2023.

Gross profit

The gross profit in the 1st quarter of 2024 is equal to 194.73 million Baht increased by 32.53 million Baht or 20.1% compared to the t and increased by 33.12 million Baht or 20.5% compared to the 4th quarter of 2023 according to the increased in revenue from services.

Service and administrative expenses

The expenses of services and administrative in the 1st quarter of 2024 are equal to 41.75 million Baht increased by 4.35 million Baht or 11.6 compared to the same period of the previous year but decreased by 0.11 million Baht or 0.3% compared to the 4th quarter of 2023. That increase is mainly from expenses related to employees.

Finance cost

The financial cost in the 1st quarter of 2024 is equal to 6.23 million Baht increased by 0.13 million Baht or 2.0% compared to the same period of the previous year and increased by 0.24 million Baht or 4.0% compared to the 4th quarter of 2023.

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 1st quarter of 2024 was 119.76 million Baht increased by 24.07 million Baht or 25.2% compared to the same period of the previous year and increased by 26.60 million Baht or 28.6% compared to the 4th quarter of 2023.

Statement of Financial Position and Financial Ratio

(Unit: Million Baht)

Statement of Financial Position	31 March 2024	31 December 2023	% ▲
Total Assets	2,306.83	1,979.28	16.5%
Total Liabilities	1,595.80	1,388.01	15.0%
Owner's Equity	711.02	591.26	20.3%
Unappropriated Retained Earnings	375.78	256.02	46.8%
ROA (%)	23.03	24.31	
ROE (%)	54.67	60.75	
D/E (time(s))	2.24	2.35	
Adjusted D/E - Exclude lease liabilities (time(s))	1.03	0.95	

The total assets as of 31 March 2024 were 2,306.83 million Baht increased by 327.55 million Baht or 16.55% compared to the balance as of 31 December 2023. The most cause was an increase in cash and cash equivalents from the increase in receiving car debt payments waiting for repayment to trade and other payables. The trade receivables increased because due payments had not been reached yet.

The total liabilities were 1,595.78 million Baht increased by 207.77 million Baht or 15.0% compared with the balance as of 31 December 2023. The main cause was a trade account payable and other payables that are waiting for payment within 4 - 7 days and the corporate income tax payable. The Company does not have any loans from financial institutions.

The total shareholders' equity is equal to 711.02 million Baht increased by 119.76 million Baht or 20.3% compared with the balance as of 31 December 2023 due to the accumulated profits that have not been allocated.

Cash Flows Statement

(Unit: Million Baht)

Cash Flows Statement	For the 3 months of			
	2024	2023	Difference	%YoY
Net Cash Flows from Operating Activities	203.20	182.38	20.82	11.4%
Net Cash Flows (used) in Investing Activities	(113.24)	(82.55)	(30.70)	37.2%
Net Cash Flows (used) in Financing Activities	(24.90)	(24.35)	(0.55)	2.3%
Cash Increase (Decrease)	65.05	75.49	(10.43)	(13.8%)
Beginning Cash	443.09	98.37	344.72	350.4%
Ending Cash	508.14	173.86	334.28	192.3%

The Company had net cash flow from operating activities for the 1st quarter of 2024 in the amount of 203.20 million Baht increased by 20.82 million Baht and net cash flow in investing activities was 113.24 million Baht increased by 30.70 million Baht compared to the same period of the previous year. It was caused by the net cash received from other current financial assets increased by 31.44 million Baht, meanwhile, the company invested to improve the area of the head office, branches, and warehouses, for developing the quality service and support the increasing vehicle volumes. The net cash flow used in financing activities increased by 0.55 million Baht. The remaining ending cash was 508.14 million Baht. However, the Company has a stable financial position and high liquidity, does not require any loans from financial institutions, as well as having sufficient access to a variety of funding sources.

Business trends

The consumer confidence index in March 2024 dropped for the first time in 8 months since August 2023 due to the consumers being worried about the global economic slowdown and concerned that the Thailand economy will recover slowly including the price of gasoline increased. In the 1st quarter of 2024 new car sales decreased by 24.7% compared to the 1st quarter of 2023 and decreased by 13.4% compared to the 4th quarter of 2023 according to the slowdown in new car loan volumes in the 1st quarter of 2024, which is reflected by the strictness in credit loan approval by financial institutions. The higher household debt, personal loans that continue to expand, the economic slowdown, and delays in government budget expenditures, are supporting factors to make the vehicle volumes continue to flow into the auction business in 2024. The part of plans to increase warehouse areas and distribution of auctions to the regions to circulate products for fast sale has been successful, the success rate and average auction ending price level have an upward trend from the end of last year, which positive effect on the company. In addition, the Company continues to increase business partners both financial and non-financial institutions, resulting in the managing direction of the auction still accomplishing the target.