

# AUCT: Expected 1Q20 earnings to grow YoY



## Update

**We maintain our BUY rating with a new target price of Bt9.6 based on 20xPE'20E which is Thai consumer discretionary sector.**

### Update:

- Expect AUCT to post 1Q20 earnings of Bt69m (+16%YoY, -7%QoQ), driven by rising NPL and seasonal factor.
- 2Q20 performance will be the bottom of the year and it should be an opportunity to accumulate for 7% dividend yield.
- We are still positive to its 2020-21 earnings outlook on the backs of industrial growth, the company's growing use of mobile application to support auction activities and potential growth from new customer segment.

### Valuation table

Year end Dec	18A	19A	20E	21E	22E
PE (x)	19.7	14.4	12.7	12.7	15.0
Recurring net profit growth (%)	65.5	36.9	12.7	(0.0)	(14.9)
Recurring EPS (Bt)	0.31	0.42	0.48	0.48	0.41
Recurring EPS growth (%)	65.5	36.9	12.7	(0.0)	(14.9)
PBV (x)	7.1	6.5	6.3	6.1	6.0
BVPS (Bt)	0.9	0.9	1.0	1.0	1.0
ROE (%)	36.9	47.2	50.2	48.7	40.4
DPS (Bt)	0.30	0.40	0.45	0.45	0.38
Dividend yield (%)	4.9	6.6	7.4	7.4	6.3
Enterprise value (Bt m)	3,018	2,962	2,895	2,724	2,680
EV-to-EBITDA (x)	11.6	8.7	7.5	7.1	8.0

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### Union Auction PCL

**Recommendation: BUY**

**Current price\*: Bt6.15**

**Target price: Bt9.6**

**Up/(downside): 56%**

**IOD: 4 out of 5**

**CAC: N/A**

### Stock data

RIC code	AUCTm.BK
Index	.SETI
SET Index (24 April 2020)	1,258.78
Market cap (Bt m)	3,355
Shares outstanding (million)	550
Par (Bt)	0.25

