

AUCT: Raising commission fee will boost 2H20 performance



Update

We came out with a positive tone after yesterday analyst meeting on the backs of raising commission fee by 12.5% and rising NPL haul up vehicle volume.

- Expect 2H20 performance to grow YoY from high seasonality, raising commission fee by 12.5% since 15 Aug 2020 and rising NPL haul up vehicle units to enter the auction.
- Revised up 2020-21E earnings forecast by 29% and 46% to factor in raising commission fee.
- We are positive to its 2020-21E outlook on the backs of; (1) growing supply for vehicles for auction along with rising NPL (2) growing use of mobile application to support auction activities (3) potential growth from direct end user, new customer segment.

We maintain our BUY rating and roll over target price to Bt14 based on 20xPE'21E which is world consumer discretionary sector.

Valuation table

Year end Dec	18A	19A	20E	21E	22E
PE (x)	33.6	24.4	16.9	14.9	18.5
Recurring net profit growth (%)	64.0	37.4	44.7	13.6	(19.8)
Recurring EPS (Bt)	0.31	0.43	0.62	0.70	0.56
Recurring EPS growth (%)	64.0	37.4	44.7	13.6	(19.8)
PBV (x)	12.0	11.1	10.6	10.2	9.9
BVPS (Bt)	0.9	0.9	1.0	1.0	1.1
ROE (%)	36.9	47.2	64.2	70.0	54.1
DPS (Bt)	0.30	0.40	0.58	0.66	0.53
Dividend yield (%)	2.9	3.8	5.6	6.3	5.1
Enterprise value (Bt m)	5,383	5,331	5,257	5,094	5,033
EV-to-EBITDA (x)	20.8	15.6	11.0	9.5	11.4

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Recommendation: BUY

Current price*: Bt10.3

Target price: Bt14.0

Up/(downside): 36%

IOD: 4 out of 5

CAC: N/A

Stock data

RIC code	AUCTm.BK
Index	.SETI
SET Index (14 August 2020)	1,327.05
Market cap (Bt m)	5,720
Shares outstanding (million)	550
Par (Bt)	0.25

