



บริษัท วี.แอล. เอ็นเตอร์ไพรส์ จำกัด (มหาชน) / V.L. Enterprise Public Company Limited

41 ถนนอโศก-ดินแดง แขวงมักกะสัน เขตราชเทวี กรุงเทพฯ 10400 โทร. 0-2254-6604-5 โทรสาร 0-2254-8749

11 November 2020

Subject Management Discussion and Analysis for 3-month period ended 30 September 2020

To President

The Stock Exchange of Thailand

V.L. Enterprise Public Company limited (“the company”) would like to clarify the operating results for the third quarter of 2020 ended 30 September 2020 as follows:

1. Income Statement

Unit : MB Baht	Q3/2020	Q2/2020	Q3/2019	9M/2020	9M/2019
Service Revenue	163.65	155.26	173.12	492.75	540.04
Cost of freight	124.01	116.07	127.88	368.60	400.63
Gross Profit	39.64	39.19	45.24	124.15	139.42
Other income	1.56	0.38	0.10	7.68	0.79
Administrative expense	11.41	13.63	11.92	34.37	38.03
Finance costs	9.10	9.32	11.39	29.24	36.21
Income tax expense	1.04	1.88	2.13	4.35	5.56
Net Profit	19.65	14.75	19.90	63.86	60.41
EBITDA	57.19	52.28	60.89	177.77	181.38
Gross Profit Margin (%)	24.22%	25.24%	26.13%	25.20%	25.82%
Net Profit Margin (%)	11.89%	9.48%	11.49%	12.76%	11.17%
Basic earnings per share	0.02	0.02	0.02	0.08	0.09



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- **Service Revenue**

Service Revenue in the third quarter of this year equals to 163.15 MB, which was decreased from the same quarter of last year by 9.47 MB or equivalent to 5.47% of total service revenue.

Service Revenue for 9 months period of this year equals to 492.75 MB, which was decreased by 47.29 MB or equivalent to 8.76% of total service revenue.

It was from decreased in domestic service income. Company has impacted from decrease numbers of traffic vessels and the slightly slow down economy caused by COVID-19 pandemic.

- **Cost of freight**

Cost of freight in the third quarter of this year equals to 124.01 MB, which was decreased from the same quarter of last year by 3.87 MB or equivalent to 3.03% of cost of freight.

Cost of freight for 9 months period of this year equals to 368.60 MB, which was decreased by 32.03 MB or equivalent to 7.99% of cost of freight.

The main reason was from lower oil price per unit of fuel oil and decreased in volume of used of fuel usage.

- **Gross Profit**

Gross profit in the third quarter of this year equals to 39.64 MB or equivalent to 24.22% of total income which was slightly decreased form Q3/2019 amount 45.24 MB or equivalent to 26.13% of total income.

Gross profit for 9 months period of this year equals to 124.15 MB or equivalent to 25.20% of total freight income decreased by 139.42 MB or equivalent to 25.82% of total freight income.

The mainly decreases was decrease in volume of quantity services.

- **Administrative expense**

Administrative expense in the third quarter of this year equals to 11.41 MB, which was decrease from Q3/2019 by 0.51 MB or equivalent to 4.27% from the same quarter last year.

Administrative expense for 9 months period of this year equals to 34.37 MB, which was decrease by 3.66 MB or equivalent to 9.62% from the same quarter last year.

There was one time expense for IPO preparation amount 2.50 MB incurred in year 2019. Therefore leads to decreased in administrative expense this year.



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- **Finance Costs**

Finance cost in the third quarter of this year equals to 9.10 MB, which was decrease from the same quarter of last year by 2.29 MB or equivalent to 20.10%.

Finance cost for 9 months period of this year equals to 29.24 MB, which was decrease by 6.97 MB or equivalent to 19.25% because of company due to the repayment of principal loan and the interest rate deduce from financial institutions.

- **Income tax expense**

Income tax expense in the third quarter of this year equals to 1.04 MB, which was decrease from the same quarter of last year by 1.09 MB or equivalent to 51.17%.

Income tax expense for 9 months period of this year equals to 4.35 MB, which was decrease by 1.21 MB because of variable costs by decrease profit of service revenues.

- **Net profits**

Net profits in the third quarter of this year equals to 19.65 MB, which was decrease from the same quarter of last year by 0.25 MB or equivalent to 1.26% from the same quarter last year .

Net profits for 9 months period of this year equals to 63.86 MB, which was increase by 3.45 MB or equivalent to 5.71% from the same quarter last year.

The mainly increase of net profit for 9 months period was from decreasing on cost of freight and interest expense.

2. Statement of financial position

- **Assets**

As of 30 September 2020 total asset was 1,784.39 MB and as of 31 December 2019 total asset was 1,967.45 MB ,which was decrease due to sales of vessels V.L.5 size 2,223 DWT, V.L.6 size 2,388 DWT but investment in new vessel name V.L. 22 size 2,874 DWT.



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Unit : MB Baht

ASSETS	As at September	As at December	Change
	30,2020	31,2019	%
Cash and cash equivalents	267.27	269.31	(0.76%)
Trade and other payables	58.94	71.40	(17.46%)
Vessel supplies and spare parts	19.80	20.57	(3.71%)
Assets held for sale	0.00	149.25	(100.00%)
Other current assets	0.08	0.14	(44.08%)
Total current assets	346.09	510.67	(32.23%)
Vessels and equipment	1,415.02	1,455.01	(2.75%)
Right-of-use assets	20.91	0.00	100.00%
Intangible assets	2.28	1.71	33.06%
Other non-current assets	0.09	0.06	52.54%
Total non-current assets	1,438.30	1,456.78	(1.27%)
Total assets	1,784.39	1,967.45	(9.30%)

● **Liabilities**

As of 30 September 2020 total liabilities was 967.16 MB and as of 31 December 2019 total liabilities was 1,182.08 MB, which was decrease Long-term loans from financial institution amount 105.65 MB due to repayment to financial institution and loan settlement from sale vessels.



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Unit : MB Baht

LIABILITIES	As at September	As at December	Change
	30,2020	31,2019	%
Trade and other payables	39.90	46.93	(14.99%)
Purchase of fixed assets payable	1.19	82.04	(98.55%)
Deposit received from sales of fixed assets	0.00	32.14	(100.00%)
Current portion of lease liabilities	2.08	0.96	116.89%
Current portion of long-term loans from financial institutions	146.58	160.63	(8.74%)
Corporate income tax payable	0.51	2.85	(82.00%)
Other current liabilities	0.53	0.72	(27.23%)
Total current liabilities	190.78	326.26	(41.52%)
Lease Liabilities	17.08	1.52	1024.11%
Long-term loans from financial institution	746.42	838.02	(10.93%)
Deferred tax liabilities	11.12	11.25	(1.11%)
Employee benefit obligations	1.75	5.02	(65.14%)
Total non-current liabilities	776.38	855.82	(9.28%)
Total Liabilities	967.16	1,182.08	(18.18%)

● **Equity**

As of 30 September 2020, Total Equity was 817.23 MB increase from total equity as of 31 December 2019 amount 785.37 MB mainly incurred from profit from operation for the period 9 months in the year 2020. Company also paid dividend to shareholder during the period amounts 32 MB.



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Unit : MB Baht

SHAREHOLDERS' EQUITY	As at September	As at December	Change
	30,2020	31,2019	%
Share capital : 800,000,000 ordinary shares of Baht 0.50 each	400.00	400.00	0.00%
Issued and fully paid-up share capital	400.00	400.00	0.00%
Share premium on ordinary shares	231.59	231.59	0.00%
Surplus on business combination under common control	13.52	13.52	0.00%
Appropriated - Legal reserve	19.30	17.09	12.94%
Unappropriated	152.82	123.16	24.08%
Total shareholders' equity	817.23	785.37	4.06%
Total liabilities and shareholders' equity	1,784.39	1,967.45	(9.30%)

3. Cash Flows

For 9M/2020 end 30 September 2020 cash and cash equivalents increased from 12.52 MB the same period of last year 4.91% from sales of vessels V.L.5, V.L.16 due to loan payment to financial institution.

Unit : MB Baht

Cash Flows	9M/2020	9M/2019	Change	Change (%)
Net cash provided by operating activities	169.47	173.41	(3.94)	(2.27%)
Net cash used in investing activities	(3.01)	(277.55)	274.54	(98.91%)
Net cash provided by (used in) financing activities	(169.44)	311.20	(480.64)	(154.45%)
Net increase (decrease) in cash and cash equivalents	(2.99)	207.06	(210.04)	(101.44%)
Cash and cash equivalents as of 1 January	269.31	48.59	220.72	454.23%
Adjustments to gain (loss) on translation of foreign currency	0.95	(0.89)	1.84	(205.94%)
Cash and cash equivalents as of 30 September	267.27	254.76	12.52	4.91%



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4. Ration

Ration	As at	As at
	September	December
	30,2020	31,2019
Debt to Equity Ratio (D/E) : (x)	1.18	1.51
Return on Asset (ROA) : %	4.53%	4.76%
Return on Equity (ROE) : %	10.61%	13.48%

Please be informed accordingly.

Sincerely Yours



(Mrs. Chutipra Klinsuwan)

Chief Executive Officer