



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

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Subject Management Discussion and Analysis for Operating Results for the three-month period ended 31 March 2021

To President  
The Stock Exchange of Thailand

V.L. Enterprise Public Company limited ("the Company") would like to clarify the operating results of the Company for the three-month period ended 31 March 2021 as follows:

The operating results for 1Q21 mainly derived from the oil tanker fleet transportation service business.

1. The financial performance comparison for the three-month period ended 31 March 2021 and 2020

(Unit : million Baht)

Statement of Income	31 March 2021	%	31 March 2020	%	Increase/ (Decrease)	%
Freight charges	139.5	98.2	173.8	95.4	(34.3)	(19.7)
Gain on disposal of assets	-	-	3.9	2.1	(3.9)	(100.0)
Gain on exchange rate	1.6	1.1	4.3	2.4	(2.7)	(62.8)
Other revenues	0.9	0.7	0.2	0.1	0.7	350.0
Total revenues	142.0	100.0	182.2	100.0	(40.2)	(22.1)
Cost of freight	114.7	82.2	128.7	74.1	(14.0)	(10.9)
Gross profit	24.8	17.8	45.1	25.9	(20.3)	(45.0)
Administrative expenses	7.0	4.9	9.1	5.0	(2.1)	(23.1)
Management benefit expenses	4.9	3.5	2.7	1.5	2.2	81.5
Income before finance costs and income tax expenses	15.4	10.9	41.7	22.9	(26.3)	(63.1)
Finance costs	8.2	5.8	10.8	5.9	(2.6)	(24.1)
Income before income tax expenses	7.2	5.1	30.9	17.0	(23.7)	(76.7)
Income tax expenses	1.6	1.1	1.4	0.8	0.2	14.3
Income for the period	5.6	4.0	29.5	16.2	(23.9)	(81.0)

Remark: Percentage in statement of comprehensive income derived from total revenues, while percentage of cost of freight and gross profit related to freight charges.



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**Total revenues**

For 1Q21, the Company generated total revenue from fleet transportation service business for petroleum and chemical products, composed of Baht 139.5 million, Baht 1.6 million, and Baht 0.9 million from the freight charges, gain on disposal of assets, gain on exchange rate and other revenues, respectively.

The proportion of freight charges can be classified as follows:

(Unit : million Baht)

Statement of Income	31 March 2021	%	31 March 2020	%	Increase/ (Decrease)	%
Freight charges						
- Domestic	86.1	61.7	118.3	68.1	(32.2)	(27.2)
- International	53.1	38.1	53.6	30.8	(0.5)	(0.9)
Other freight charges	0.3	0.2	1.9	1.1	(1.6)	(84.2)
Total freight charges	139.5	100.0	173.8	100.0	(34.3)	(19.7)

For 1Q21, the total freight charges of the Company was Baht 139.5 million, a decrease of Baht 34.3 million compared to 1Q20 or decreased 19.7%.

This was caused by a decrease in the domestic freight charges, this was due to

- The number of voyage of the domestic decreased by the pandemic of the Coronavirus Disease (COVID 19) in new outbreak. In addition, the government has ordered the temporary closure of many places and designated areas as high-level control areas which affected to the slowdown in domestic oil consumption demand.
- The domestic major oil trader has shutdown of the Crude Distillation Unit and related units for a period of 20 days in 1Q21, and the Company revise the strategy to arrange an oil tanker vessel to early dry docking.

However, The Company has the international freight charges in the similar amount to the prior year.

**Cost of freight**

For 1Q21, cost of freight of the Company was Baht 114.7 million, a decrease of Baht 14.0 million compared to 1Q20 or decreased 10.9% due to the fuel consumption is reduced which the mainly cost of the operation.



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**Gross profit**

For 1Q21, gross profit of the Company was Baht 24.8 million or gross profit margin of 17.8 of total freight charges, a decrease of Baht 20.3 million compared to 1Q20 or decreased 45.0%. This was a result of lower domestic freight charges.

**Administrative expenses**

For 1Q21, administrative expenses of the Company was Baht 7.0 million, a decrease of Baht 2.1 million compared to 1Q20 or decreased 23.1% due to in 1Q21 there was a decrease in employee expenses for key management person which has been classified as management benefit expenses, as a result of reorganization.

**Management benefit expenses**

For 1Q21, management benefit expenses of the Company was Baht 4.9 million, an increase of Baht 2.2 million compared to 1Q20 or increased 81.5% due to in 1Q21 there was an increase in employee expenses for key management person, as a result of reorganization.

**Finance cost**

For 1Q21, finance cost of the Company was Baht 8.2 million, a decrease of Baht 2.6 million compared to 1Q20 or increased 24.1% due to the repayment of principal loans from financial institution, and the adjustment of interest rate decreased.

**Income tax expenses**

For 1Q21, income tax expenses of the Company was Baht 1.6 million, an increase of Baht 0.2 million compared to 1Q20 or increased 14.3%, which varied by increased net income from Non-BOI.

**Income for the year**

For 1Q21, income for the year of the Company was Baht 5.6 million, a decrease of Baht 23.9 million compared to 1Q20 or increased 81.0% due to decreased in the total freight charge.





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**2. Statement of financial position**

	31 March 2021	31 December 2020	Change
	(million Baht)		%
<b>Current Assets</b>			
Cash and cash equivalents	151.0	172.0	(12.2)
Trade and other receivables	70.3	63.7	10.4
Supplies and spare parts	21.6	16.1	34.2
Other current financial assets	100.2	100.1	0.1
<b>Total Current Assets</b>	<b>343.1</b>	<b>351.9</b>	<b>(2.5)</b>
<b>Non-current Assets</b>			
Vessels and equipment	1,609.4	1,389.2	15.9
Right-of-use assets	19.8	20.3	(2.5)
Other non-current assets	2.7	2.3	17.4
<b>Total Non-current Assets</b>	<b>1,631.9</b>	<b>1,411.8</b>	<b>15.5</b>
<b>Total Assets</b>	<b>1,975.0</b>	<b>1,763.7</b>	<b>12.0</b>

	31 March 2021	31 December 2020	Change
	(million Baht)		%
<b>Non-interest bearing debt</b>			
Trade and other payables	34.8	32.6	6.7
Purchase of fixed assets payable	8.7	0.1	8,600.0
Other liabilities	20.2	18.9	6.9
<b>Total non-interest bearing debt</b>	<b>63.7</b>	<b>51.6</b>	<b>23.4</b>
<b>Interest-bearing debt</b>			
Lease liabilities	18.4	19.1	(3.7)
Long-term loans	1,050.7	856.4	22.7
<b>Total interest bearing debt</b>	<b>1,069.1</b>	<b>875.5</b>	<b>22.1</b>
<b>Total Liabilities</b>	<b>1,132.8</b>	<b>927.1</b>	<b>22.2</b>
<b>Total Shareholders' Equity</b>	<b>842.2</b>	<b>836.6</b>	<b>0.7</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,975.0</b>	<b>1,763.7</b>	<b>12.0</b>

**Assets**

As of 31 March 2021, the Company reported total assets of Baht 1,975.0 million, an increase of Baht 211.3 million compared to 31 December 2020 or decreased 12.0% due to in 1Q21, the Company has purchased one oil tanker vessel, is V.L. 23 which had the dead weight of 2,800 DWT.

**Liabilities**

As of 31 March 2021, the Company reported total liabilities of Baht 1,132.8 million, an increase of Baht 205.7 million compared to 31 December 2020 or decreased 22.2% due to the increased of interest-bearing debts for long-term loans of Baht 194.3 million, in caused of the borrowing loans from financial institutions for payment a new oil tanker vessel in 1Q21.



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**Shareholders' Equity**

As of 31 March 2021, the Company reported total shareholders' equity of Baht 842.2 million, an increase of Baht 5.6 million compared to 31 December 2020 or increased 0.7% due to the net income for 1Q21 of Baht 5.6 million.

**3. Significant financial Ratio**

	1Q21	YE20	1Q20
Current Ratio (Time)	2.00	1.90	2.08
Debt to Equity Ratio (Time)	1.35	1.11	1.27
Return of Assets (ROA) (%)	1.20	4.52	6.18
Return of Equity (ROE) (%)	2.67	10.41	14.73

Please be informed accordingly.

Sincerely Yours,

(Mrs. Chutipa Klinsuwan)

Chief Executive Officer