

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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No. 18/2022

11 May 2022

Subject Management Discussion and Analysis for Operating Results for the three-month period ended 31 March 2022

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 2022 as follows:

The operating results for 1Q22 mainly derived from the oil tanker fleet transportation service business.

1. The financial performance comparison for the three-month period ended 31 March 2022 and 2021

(Unit : million Baht)

Statement of Income	31 March 2022	%	31 March 2021	%	Increase/ (Decrease)	%
Freight charges	165.8	99.3	139.5	98.2	26.3	18.9
Gain on disposal of assets	0.3	0.2	-	-	0.3	N/A
Gain on exchange rate	-	-	1.6	1.1	(1.6)	(100.0)
Other revenues	0.8	0.5	0.9	0.7	(0.1)	(11.1)
Total revenues	166.9	100.0	142.0	100.0	24.9	17.5
Cost of freight	143.4	86.5	114.7	82.2	28.7	25.0
Gross profit	22.4	13.5	24.8	17.8	(2.4)	(9.7)
Administrative expenses	6.2	3.7	7.0	4.9	(0.8)	(11.4)
Management benefit expenses	4.5	2.7	4.9	3.5	(0.4)	(8.2)
Income before finance costs and income tax expenses	12.8	7.7	15.4	10.9	(2.6)	(16.9)
Finance costs	9.2	5.5	8.2	5.8	1.0	12.2
Income before income tax expenses	3.6	2.2	7.2	5.1	(3.6)	(50.0)
Income tax expenses	0.8	0.5	1.6	1.1	(0.8)	(50.0)
Income for the period	2.8	1.7	5.6	4.0	(2.8)	(50.0)

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 1Q22, the Company generated total revenue from fleet transportation service business for petroleum and chemical products, composed of Baht 165.8 million, Baht 0.3 million, and Baht 0.8 million from the freight charges, gain on disposal of assets, and other revenues, respectively.

The proportion of freight charges can be classified as follows:

For 1Q22 and 1Q21

(Unit : million Baht)

Statement of Income	31 March 2022	%	31 March 2021	%	Increase/ (Decrease)	%
Freight charges						
- Domestic	120.0	72.4	86.1	61.7	33.9	39.4
- International	44.7	27.0	53.1	38.1	(8.4)	(15.8)
Other freight charges	1.1	0.6	0.3	0.2	0.8	266.7
Total freight charges	165.8	100.0	139.5	100.0	26.3	18.9

For 1Q22, the total freight charges of the Company was Baht 165.8 million, an increase of Baht 26.3 million compared to 1Q21 or decreased 18.9%.

This was caused by an increase in the domestic freight charges, this was due to

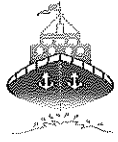
- The number of voyage of the domestic in 1Q22 increased compared to 1Q21 due to the relaxation some COVID-19 restrictions which affected to the demand for oil consumption in the country has increased.

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

- The number of voyage of the international in 1Q22 decreased compared to 1Q21 due to the Company has sold one vessel that provides for the international route, namely V.L. 10, since the beginning of 1Q22.

Cost of freight

For 1Q22, cost of freight of the Company was Baht 143.4 million, an increase of Baht 28.7 million compared to 1Q21 or increased 25.0% due to fuel costs are increased from the volatility of fuel prices in 1Q22 that tends to increase which is considered as the mainly cost of operations as follows:



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(Unit : Baht per Liter)

	Dec 21	Jan 22	Feb 22	Mar 22	Increase (Mar 22 - Dec 21)	%
Fuel oil price (average)	18.6	20.1	21.5	26.0	7.4	39.8
Diesel oil price (average)	26.0	28.1	28.9	30.7	4.7	18.1

Gross profit

For 1Q22, gross profit of the Company was Baht 22.4 million or gross profit margin of 13.5% of total freight charges, a decrease of Baht 2.4 million compared to 1Q21 or decreased 9.7%. This was a result of the variable cost of freight, especially fuel costs, trend to increase.

Administrative expenses

For 1Q22, administrative expenses of the Company was Baht 6.2 million, a decrease of Baht 0.8 million compared to 1Q21 or decreased 11.4% due to in 1Q22 there was a decrease in the employee expenses of head office.

Management benefit expenses

For 1Q22, management benefit expenses of the Company was Baht 4.5 million, a decrease of Baht 0.4 million compared to 1Q21 or decreased 8.2% due to in 1Q22 there was a decrease in employee expenses for key management person.

Finance cost

For 1Q22, finance cost of the Company was Baht 9.2 million, an increase of Baht 1.0 million compared to 1Q21 or decreased 12.2% due to in 1Q22, the Company has paid more interest costs from an increase in long-term loan from financial institution, amounting to 1 credit line, arising from the purchase of a new vessel since the end of 1Q21.

Income tax expenses

For 1Q22, income tax expenses of the Company was Baht 0.8 million, a decrease of Baht 0.8 million compared to 1Q21 or decreased 50.0% due to in 1Q22, the Company has a decrease in the operating profit.



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Income for the period

For 1Q22, income for the period of the Company was Baht 2.8 million, a decrease of Baht 2.8 million compared to 1Q21 or decreased 50.0% due to increased in the cost of freight.

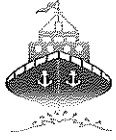
2. Statement of financial position (abbreviated)

	31 March	31 December	Change
	2022	2021	
	(million Baht)		%
Current Assets			
Cash and cash equivalents	190.9	177.3	7.7
Trade and other current receivables	77.7	88.1	(11.8)
Supplies and spare parts	24.0	21.7	10.6
Other current financial assets	100.8	100.7	0.1
Other current assets	0.2	0.2	0.0
Total Current Assets	393.6	388.0	1.4
Non-current Assets			
Vessels and equipment	1,502.1	1,542.3	(2.6)
Right-of-use assets	17.4	18.0	(3.3)
Other non-current assets	3.6	3.7	(2.7)
Total Non-current Assets	1,523.1	1,564.0	(2.6)
Total Assets	1,916.7	1,952.0	(1.8)

	31 March	31 December	Change
	2022	2021	
	(million Baht)		%
Non-interest bearing debt			
Trade and other current payables	42.6	49.3	(13.6)
Purchase of fixed assets payable	0.1	1.4	(92.9)
Other liabilities	19.2	18.5	3.8
Total non-interest bearing debt	61.9	69.2	(10.5)
Interest-bearing debt			
Lease liabilities	16.2	16.8	(3.6)
Long-term loans	940.9	971.1	(3.1)
Total interest bearing debt	957.1	987.9	(3.1)
Total Liabilities	1,019.0	1,057.1	(3.6)
Total Shareholders' Equity	897.7	894.9	0.3
Total Liabilities and Shareholders' Equity	1,916.7	1,952.0	(1.8)

Assets

As of 31 March 2022, the Company reported total assets of Baht 1,916.7 million, a decrease of Baht 35.3 million compared to 31 December 2021 or decreased 1.8% due to in 1Q22, the Company has sold one oil tanker vessel, namely V.L. 10 and write off the depreciation of vessels and equipment.



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Liabilities

As of 31 March 2022, the Company reported total liabilities of Baht 1,019.0 million, a decrease of Baht 38.1 million compared to 31 December 2021 or decreased 3.6% due to the decreased of interest-bearing debts for long-term loans of Baht 30.2 million, in caused of the repayment of loans from financial institution which is in accordance with the agreed contract.

Shareholders' Equity

As of 31 March 2022, the Company reported total shareholders' equity of Baht 897.7 million, an increase of Baht 2.8 million compared to 31 December 2021 or increased 0.3% due to the net income for 1Q22.

3. Significant financial ratio

	1Q22	2021	1Q21
Current Ratio (Time)	1.94	1.92	2.00
Debt to Equity Ratio (Time)	1.14	1.18	1.35
Return of Assets (ROA) (%)	3.28	3.57	5.45
Return of Equity (ROE) (%)	2.34	2.67	7.31

Please be informed accordingly.

Sincerely Yours,

(Mrs. Chutipra Klinsuwan)

Chief Executive Officer