



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 year ended 31 December 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 year ended 31 December 2022 as follows:

The operating results for 2022 mainly derived from the oil tanker fleet transportation service business.

1. The financial performance comparison for the year ended 31 December 2022 and 2021

(Unit : million Baht)

Statement of Comprehensive Income	31 December 2022	%	31 December 2021	%	Increase / (Decrease)	%
Freight charges	726.5	99.6	662.8	99.0	63.7	9.6
Gain on exchange rate	0.7	0.1	2.4	0.4	(1.7)	(70.8)
Other revenues	2.3	0.3	4.3	0.6	(2.0)	(46.5)
Total revenues	729.5	100.0	669.5	100.0	60.0	9.0
Cost of freight	611.2	84.1	551.0	83.1	60.2	10.9
Gross Profit	115.3	15.9	111.8	16.9	3.5	3.1
Administrative expenses	37.8	5.2	32.6	4.9	5.2	16.0
Management benefit expenses	18.4	2.5	19.6	2.9	(1.2)	(6.1)
Income before finance costs and income tax expenses	62.1	8.5	66.3	9.9	(4.2)	(6.3)
Finance costs	35.3	4.8	37.1	5.5	(1.8)	(4.9)
Income before income tax expenses	26.8	3.7	29.2	4.4	(2.4)	(8.2)
Income tax expenses	3.5	0.5	6.1	0.9	(2.6)	(42.6)
Income for the year	23.3	3.2	23.1	3.5	0.2	0.9
Actuarial gain (loss) from defined benefit plans	0.1	-	(0.2)	-	0.3	(150.0)
Total comprehensive income for the year	23.4	3.2	22.9	3.4	0.5	2.2

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

Total revenues

For 2022, the Company generated total revenue from fleet transportation service business for petroleum and chemical products, composed of Baht 726.5 million, Baht 0.7 million, and Baht 2.3 million from the freight charges, gain on exchange rate, and other revenues, respectively.





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The proportion of freight charges can be classified as follows:

For 2022 and 2021

(Unit : million Baht)

Statement of Comprehensive Income	4Q22	%	4Q21	%	Increase / (Decrease)	%
Freight charges						
- Domestic	498.2	68.6	402.8	60.8	95.4	23.7
- International	219.4	30.2	252.5	38.1	(33.1)	(13.1)
Other freight charges	8.9	1.2	7.5	1.1	1.4	18.7
Total freight charges	726.5	100.0	662.8	100.0	63.7	9.6

For 2022, the total freight charges of the Company was Baht 726.5 million, an increase of Baht 63.7 million compared to 2021 or decreased 9.6%.

This was caused by an increased in the domestic and a decreased of international freight charges, this was due to

- The number of voyage of the domestic has increased due to the relaxation some COVID-19 restrictions which affected to the demand for oil consumption in the country has increased.
- The number of voyage of the international decreased due to the decreased of international vessel fleet by the Company has sold one vessel that provides for the international route since 1Q22, namely V.L. 10.

Cost of freight

For 2022, cost of freight of the Company was Baht 611.2 million, an increase of Baht 60.2 million compared to 2021 or increased 10.9% due to fuel costs are increased from the volatility of fuel prices during 2022 that tends to increased.

The Information of average unit price of bunker cost which is considered as the mainly cost of operations as follows:

(Unit : Baht per Liter)

	2022	2023	Increase (Decrease)	%
Fuel oil price (average)	24.4	17.2	7.2	41.9
Diesel oil price (average)	31.2	22.3	8.9	39.9



Gross profit

For 2022, gross profit of the Company was Baht 115.3 million or gross profit margin of 15.9% of total freight charges, an increase of Baht 3.5 million compared to 2021 or increased 3.1%. This was a result of the total freight charges to increase.

Administrative expenses

For 2022, administrative expenses of the Company was Baht 37.8 million, an increase of Baht 5.2 million compared to 2021 or increased 16.0% due to in 2022 the Company had unrealized loss from foreign currency forward contract amounting to Baht 5.3 million. The Company entered into a foreign currency forward contract with a financial institution which have outstanding balance and must be presented at fair value at the end of the accounting period.

Finance cost

For 2022, finance cost of the Company was Baht 35.3 million, a decrease of Baht 1.8 million compared to 2021 or decreased 4.9% due to during 2022, the Company had repayment the principal of credit lines with a financial institution.

Income tax expenses

For 2022, income tax expenses of the Company was Baht 3.5 million, a decrease of Baht 2.6 million compared to 2021 or decreased 42.6% due to which varied by increased profit under investment promotion.

Income for the year

For 2022, income for the year of the Company was Baht 23.4 million, an increase of Baht 0.5 million compared to 2021 or increased 2.2% due to the increased of the freight charges.



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2. Statement of financial position (abbreviated)

	31 December	31 December	Change		31 December	31 December	Change
	2022	2021			2022	2021	
	(million Baht)		%		(million Baht)		%
Current Assets				Non-interest bearing debt			
Cash and cash equivalents	193.1	177.3	8.9	Trade and other current payables	62.5	49.3	26.8
Trade and other current receivables	76.5	88.1	(13.2)	Purchase of fixed assets payable	14.0	1.4	900.0
Supplies and spare parts	26.9	21.7	24.0	Other liabilities	27.8	18.5	50.3
Other current financial assets	100.6	100.7	(0.1)	Total non-interest bearing debt	104.3	69.2	50.7
Other current assets	0.9	0.2	350.0	Interest-bearing debt			
Total Current Assets	398.0	388.0	2.6	Lease liabilities	15.1	16.8	(10.1)
Non-current Assets				Long-term loans	824.9	971.1	(15.1)
Vessels and equipment	1,467.2	1,542.3	(4.9)	Total interest bearing debt	840.0	987.9	(15.0)
Right-of-use assets	13.1	18.0	(27.2)	Total Liabilities	944.3	1,057.1	(10.7)
Other non-current assets	3.8	3.7	2.7	Total Shareholders' Equity	937.8	894.9	4.8
Total Non-current Assets	1,484.1	1,564.0	(5.1)				
Total Assets	1,882.1	1,952.0	(3.6)	Total Liabilities and Shareholders' Equity	1,882.1	1,952.0	(3.6)

Assets

As of 31 December 2022, the Company reported total assets of Baht 1,882.1 million, a decrease of Baht 69.9 million compared to 31 December 2021 or decreased 3.6% due to

- Increase in cash and cash equivalents amounted to Baht 15.8 million because of the Company has the operating cash flow increased in 2022.
- Vessels and equipment has decreased in the amount of Baht 75.1 million because of in the 1Q22 the Company sold V.L. 10 and there is depreciation of vessel and equipment contained in the account.

Liabilities

As of 31 December 2022, the Company reported total liabilities of Baht 944.3 million, a decrease of Baht 112.8 million compared to 31 December 2021 or decreased 10.7% due to

- The trade and other current payables, and payables of purchase of assets increased in the total amount of Baht 25.8 million because of the Company had a whole increase in services and spare parts payables.
- The other liabilities increased in the amount of Baht 9.3 million because the Company has an undue output VAT of Baht 4.0 million and the financial liabilities from the foreign exchange forward contract of Baht 5.3 million.



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- Decrease in the total interest-bearing debt amounting to Baht 147.9 million, in caused of the repayment of loans from financial institutions which is in accordance with the agreed contract.

Shareholders' Equity

As of 31 December 2022, the Company reported total shareholders' equity of Baht 937.8 million, an increase of Baht 42.9 million compared to 31 December 2021 or increased 4.8% due to

- There was an income for the year 2022 amounting to Baht 23.4 million.
- In 2022, the Company had received the payments for common shares in the total amount of Baht 55.6 million from the exercise of warrants.
- Dividend paid for the year 2021 and for the interim of 2022 in the total amount of Baht 36.1 million.

3. Significant financial ratio

	2022	2021
Current Ratio (Time)	1.63	1.92
Debt to Equity Ratio (Time)	1.01	1.18
Return of Assets (ROA) (%)	3.24	3.57
Return of Equity (ROE) (%)	2.55	2.67

Please be informed accordingly.

Sincerely Yours,

(Mrs. Chutipra Klinsuwan)

Chief Executive Officer