



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

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No. 33/2022

9 November 2022

Subject Management Discussion and Analysis for Operating Results for the three-month and nine-month periods ended 30 September 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 and nine-month periods ended 30 September 2022 as follows:

The operating results for 3Q22 and 9M22 mainly derived from the oil tanker fleet transportation service business.

## 1. The financial performance comparison for the three-month period ended 30 September 2022 and 2021

(Unit : million Baht)

Statement of Income	30 September 2022	%	30 September 2021	%	Increase / Decrease	%
Freight charges	218.9	99.9	180.1	99.7	38.8	21.5
Other revenues	0.2	0.1	0.6	0.3	(0.4)	(66.7)
Total revenues	219.1	100.0	180.7	100.0	38.4	21.3
Cost of freight	170.1	77.7	147.9	82.1	22.2	15.0
Gross profit	48.8	22.3	32.2	17.9	16.6	51.6
Administrative expenses	8.3	3.8	8.2	4.5	0.1	1.2
Management benefit expenses	4.7	2.1	4.3	2.4	0.4	9.3
Income before finance costs and income tax expenses	36.0	16.4	20.3	11.2	15.7	77.3
Finance costs	8.7	4.0	9.9	5.5	(1.2)	(12.1)
Income before income tax expenses	27.3	12.5	10.4	5.8	16.9	162.5
Income tax expenses	2.2	1.0	2.2	1.2	-	-
Income for the period	25.1	11.5	8.2	4.5	16.9	206.1

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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### 2. The financial performance comparison for the nine-month periods ended 30 September 2022 and 2021

(Unit : million Baht)

Statement of Income	30 September 2022	%	30 September 2021	%	Increase / Decrease	%
Freight charges	557.4	99.7	479.8	99.2	77.6	16.2
Gain from exchange rate	-	-	1.8	0.4	(1.8)	(100.0)
Other revenues	1.4	0.3	1.9	0.4	(0.5)	(26.3)
<b>Total revenues</b>	<b>558.8</b>	<b>100.0</b>	<b>483.5</b>	<b>100.0</b>	<b>75.3</b>	<b>15.6</b>
Cost of freight	464.4	83.3	392.3	81.8	72.1	18.4
<b>Gross profit</b>	<b>93.0</b>	<b>16.7</b>	<b>87.5</b>	<b>18.2</b>	<b>5.5</b>	<b>6.3</b>
Administrative expenses	28.4	5.1	23.8	4.9	4.6	19.3
Management benefit expenses	13.9	2.5	14.2	2.9	(0.3)	(2.1)
Income before finance costs and income tax expenses	52.1	9.3	53.2	11.0	(1.1)	(2.1)
Finance costs	26.9	4.8	27.5	5.7	(0.6)	(2.2)
Income before income tax expenses	25.2	4.5	25.7	5.3	(0.5)	(1.9)
Income tax expenses	3.3	0.6	5.4	1.1	(2.1)	(38.9)
<b>Income for the period</b>	<b>21.9</b>	<b>3.9</b>	<b>20.3</b>	<b>4.2</b>	<b>1.6</b>	<b>7.9</b>

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 3Q22, the Company generated total revenue from fleet transportation service business for petroleum and chemical products, composed of Baht 218.9 million, and Baht 0.2 million from the freight charges, and other revenues, respectively.

For 9M22, the Company generated total revenue from fleet transportation service business for petroleum and chemical products, composed of Baht 557.4 million, and Baht 1.4 million from the freight charges, and other revenues, respectively.

The proportion of freight charges can be classified as follows:

For 3Q22 and 3Q21

(Unit : million Baht)

Statement of Income	30 September 2022	%	30 September 2021	%	Increase / Decrease	%
Freight charges						
- Domestic	138.8	63.4	106.2	59.0	32.6	30.7
- International	79.8	36.5	71.1	39.5	8.7	12.2
Other freight charges	0.3	0.1	2.8	1.6	(2.5)	(89.3)
<b>Total freight charges</b>	<b>218.9</b>	<b>100.0</b>	<b>180.1</b>	<b>100.0</b>	<b>38.8</b>	<b>21.5</b>



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For 3Q22, the total freight charges of the Company was Baht 218.9 million, an increase of Baht 38.8 million compared to 3Q21 or increased 21.5%.

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

- The number of voyage of the domestic in 3Q22 increased compared to 3Q21 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 an increase in the international freight charges, this was due to

- The number of voyage of the international in 3Q22 decreased compared to 3Q21 due to the adjustment of freight rate. The Company has new customers who has control the costs effectively, and the rising trend of exchange rates.

For 9M22 and 9M21

(Unit : million Baht)

Statement of Income	30 September 2022	%	30 September 2021	%	Increase / Decrease	%
Freight charges						
- Domestic	380.8	68.3	296.6	61.8	84.2	28.4
- International	170.7	30.6	178.1	37.1	(7.4)	(4.2)
Other freight charges	5.9	1.1	5.1	1.1	0.8	15.7
<b>Total freight charges</b>	<b>557.4</b>	<b>100.0</b>	<b>479.8</b>	<b>100.0</b>	<b>77.6</b>	<b>16.2</b>

For 9M22, the total freight charges of the Company was Baht 557.4 million, an increase of Baht 77.6 million compared to 9M21 or decreased 16.2%.

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, namely V.L. 10.

### Cost of freight

For 3Q22, cost of freight of the Company was Baht 170.1 million, an increase of Baht 22.2 million compared to 3Q21 or increased 15.0% due to fuel costs are increased from the volatility of fuel prices in 3Q22 that tends to increased.



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For 9M22, cost of freight of the Company was Baht 464.4 million, an increase of Baht 72.1 million compared to 9M21 or increased 18.4% due to fuel costs are 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)

	3Q22	3Q21	Increase (Decrease)	%	9M22	9M21	Increase (Decrease)	%
Fuel oil price (average)	27.1	17.7	9.4	53.1	25.0	16.0	9.0	56.3
Diesel oil price (average)	33.7	22.3	11.4	51.1	30.7	21.1	9.6	45.5

### Gross profit

For 3Q22, gross profit of the Company was Baht 48.8 million or gross profit margin of 22.3% of total freight charges, an increase of Baht 16.6 million compared to 3Q21 or increased 51.6% and for 9M22, gross profit of the Company was Baht 93.0 million or gross profit margin of 16.7% of total freight charges, an increase of Baht 5.5 million compared to 9M21 or increased 6.3%. This was a result of the variable cost of freight, especially fuel costs, trend to increase.

### Administrative expenses

For 9M22, administrative expenses of the Company was Baht 28.4 million, an increase of Baht 4.6 million compared to 9M21 or increased 19.3% due to in 2022 the Company had unrealized loss from foreign currency forward contract amounting to Baht 3.3 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 3Q22, finance cost of the Company was Baht 8.7 million, a decrease of Baht 1.2 million compared to 2Q21 or decreased 12.1% due to in 2Q22, the Company had repayment the one credit line to financial institutions completely.

### Income tax expenses

For 9M22, income tax expenses of the Company was Baht 3.3 million, a decrease of Baht 2.1 million compared to 9M21 or decreased 38.9% due to which varied by increased profit under investment promotion.



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### Income for the period

For 3Q22, income for the period of the Company was Baht 25.1 million, an increased of Baht 16.9 million compared to 3Q21 or increased 206.1% due to the increased of the freight charges

### 2. Statement of financial position (abbreviated)

	30 September	31 December	Change		30 September	31 December	Change
	2022	2021			2022	2021	
	(million Baht)		%		(million Baht)		%
<b>Current Assets</b>				<b>Non-interest bearing debt</b>			
Cash and cash equivalents	199.1	177.3	12.3	Trade and other current payables	55.8	49.3	13.2
Trade and other current receivables	80.2	88.1	(9.0)	Purchase of fixed assets payable	6.2	1.4	342.9
Supplies and spare parts	27.2	21.7	25.3	Other liabilities	28.5	18.5	54.1
Other current financial assets	100.8	100.7	0.1	<b>Total non-interest bearing debt</b>	<b>90.5</b>	<b>69.2</b>	<b>30.8</b>
Other current assets	0.5	0.2	150.0	<b>Interest-bearing debt</b>			
<b>Total Current Assets</b>	<b>407.8</b>	<b>388.0</b>	<b>5.1</b>	Lease liabilities	15.5	16.8	(7.7)
<b>Non-current Assets</b>				Long-term loans	863.4	971.1	(11.1)
Vessels and equipment	1,471.7	1,542.3	(4.6)	<b>Total interest bearing debt</b>	<b>878.9</b>	<b>987.9</b>	<b>(11.0)</b>
Right-of-use assets	14.0	18.0	(22.2)	<b>Total Liabilities</b>	<b>969.4</b>	<b>1,057.1</b>	<b>(8.3)</b>
Other non-current assets	4.0	3.7	8.1	<b>Total Shareholders' Equity</b>	<b>928.1</b>	<b>894.9</b>	<b>3.7</b>
<b>Total Non-current Assets</b>	<b>1,489.7</b>	<b>1,564.0</b>	<b>(4.8)</b>				
<b>Total Assets</b>	<b>1,897.5</b>	<b>1,952.0</b>	<b>(2.8)</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>1,897.5</b>	<b>1,952.0</b>	<b>(2.8)</b>

### Assets

As of 30 September 2022, the Company reported total assets of Baht 1,897.5 million, a decrease of Baht 54.5 million compared to 31 December 2021 or decreased 2.8% due to

- Increase in cash and cash equivalents amounted to Baht 21.8 million because the Company has the operating cash flow increased in 3Q22.
- Vessels and equipment has decreased in the amount of Baht 70.6 million because in the 1Q22 the Company sold V.L. 10 and there is depreciation of vessel and equipment contained in the account.

### Liabilities

As of 30 September 2022, the Company reported total liabilities of Baht 969.4 million, a decrease of Baht 87.7 million compared to 31 December 2021 or decreased 8.3% due to

- The payables of purchase of assets increased in the amount of Baht 4.8 million because the Company had a whole increase in services and spare parts payables.



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- The other liabilities increased in the amount of Baht 10.0 million because the Company has an undue output VAT of Baht 4.4 million and the financial liabilities from the foreign exchange forward contract of Baht 3.3 million.
- Decrease in the total interest-bearing debt amounting to Baht 109.0 million, in caused of the repayment of loans from financial institutions which is in accordance with the agreed contract.

### Shareholders' Equity

As of 30 September 2022, the Company reported total shareholders' equity of Baht 928.1 million, an increase of Baht 33.2 million compared to 31 December 2021 or increased 3.7% due to

- There was an income for the nine-month period of 2022 amounting to Baht 21.9 million.
- In 2Q22, the Company had received the payments for common shares in the amount of Baht 25.9 million from the exercise of warrants and had paid dividends for the year 2021 in the amount of Baht 14.5 million.

### 3. Significant financial ratio

	3Q22	3Q21	2021
Current Ratio (Time)	1.77	1.60	1.92
Debt to Equity Ratio (Time)	1.04	1.33	1.18
Return of Assets (ROA) (%)	3.45	4.71	3.57
Return of Equity (ROE) (%)	2.85	5.02	2.67

Please be informed accordingly.

Sincerely Yours,

(Mrs. Chutipa Klinsuwan)

Chief Executive Officer