



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

13 November 2019

Subject Management Discussion and Analysis for 3-month period ended 30 September 2019

To President

The Stock Exchange of Thailand

V.L. Enterprise Public Company limited would like to clarify the overview and changes in the operating results for the first quarter of the year 2019 ("Q3/2019") ended as at 30 September 2019 as the following details.

1. Income Statement

Unit : MB Baht	Q2-2019	Q3-2019	Q3-2018	9M/2019	9M/2018
Service Revenue	181.20	173.12	170.65	540.04	509.47
Cost of service revenue	(137.46)	(127.88)	(139.00)	(400.63)	(404.57)
Gross Profit	43.73	45.24	31.65	139.42	104.89
Other income	0.11	0.10	4.63	0.79	5.68
Administrative expenses	(13.51)	(11.92)	(10.28)	(38.03)	(31.53)
Interest Expenses	(12.63)	(11.39)	(11.85)	(36.21)	(32.03)
Tax Expenses	(0.62)	(2.13)	(2.19)	(5.56)	(4.59)
Net Profit	17.09	19.90	11.96	60.41	42.42
EBITDA	57.58	118.47	105.03	181.38	155.54
Gross Profit Margin (%)	24.14%	26.13%	18.55%	25.82%	20.59%
Net Profit Margin (%)	9.42%	11.49%	6.82%	11.17%	8.23%
Basic earnings per share	0.03	0.02	0.02	0.09	0.10

➤ Revenue

Service Revenue

In Q3/2019 Total service revenue was 173.12 million baht which composed of 128.31 million baht of domestic service, 44.81 million baht of overseas service and 0.10 million baht of other services revenue.



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Domestic Service Revenue

During Q3/2019 period, Domestic service increased by 0.82 percent YoY which equaled to 128.31 million baht as a result of investment new vessel in quarter 4/2018 was named V.L.20 , capacity 5,439 cubic meters per round trip, commenced service for crude oil in quarter 4/2018. This positively affected increase in revenue from crude oil transportation.

Overseas Service Revenue

During Q3/2019 period, Overseas service increase by 3.27 percent YoY which equaled to 44.81 million baht. The main reason was investment a new vessel in quarter 2/2019, named V.L.21, capacity 5,488 cubic meters per round trip, commenced service for palm oil in quarter 2/2019. This affected to increase in revenue from palm oil transportation.

Other revenue

During Q3/2019 period, Other revenues were 0.10 million baht which mainly composed of interest and gain on exchange rate.

➤ Cost of Service

In Q3/2019 cost of service was 127.88 million baht which decrease by 8.00 percent YoY. The main reason was cost efficiency management from variable cost, fuel cost.

➤ Gross Profit

Gross Profit in Q3/2019 equals to 45.24 million baht or 26.13 percent which is slightly increased from Q3/2018 amount 31.65 million baht or 18.55 percent. It is because of increased in volume of sale income but the fuel cost decreased as a result of cost efficiency management.

➤ Administrative expenses

Administrative expenses in Q3/2019 was 11.92 million baht which is increased from Q3/2018 slightly expenses amount 10.28 million baht as a result of salary and welfare expense increased 0.36 million, training expense increased 0.55 million and unrealize loss exchange rate increased 0.22 million.



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➤ Interest Cost

In Q3/2019, Interest cost was 11.39 million baht which is slightly decreased from last year because of redemption of short-term loans from financial institution was 100 million.

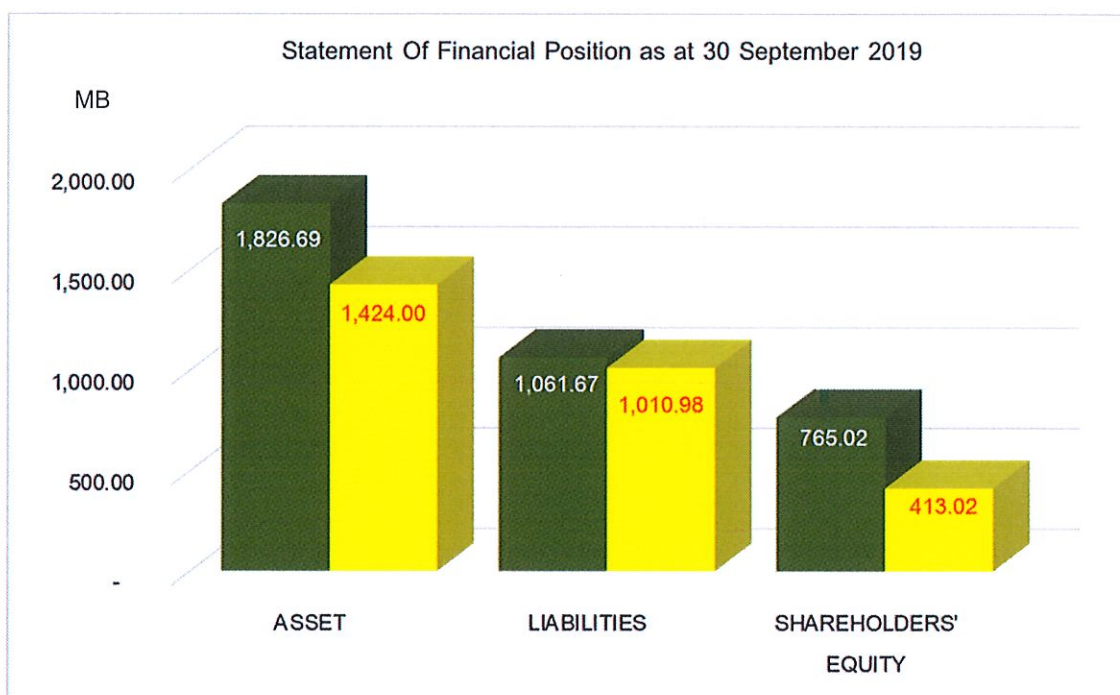
➤ Income Tax Expenses

In Q3/2019, Income tax expense was 2.13 million baht or equals to 1.23 percent of total revenue this was not different from the same period of last year.

➤ Net Profit

In Q3/2019 Net Profit was 19.90 million baht or equals to 11.49 percent of total revenues. It was increase from the same period of last year due to cost efficiency management on fuel cost.

2. Statement Of Financial Position



■ As of September 30, 2019 ■ As of December 31, 2018



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➤ Asset

As of 30 September 2019 total asset was 1,826.69 million baht increased from 1,424.00 million baht, as of 31 December 2018 due to investment in new vessel named V.L.21, size 5,676 DWT for providing service to overseas customers. Company also has ordered build a new Vessel , size 3,000 DWT. Moreover, the company received capital from initial public offering during this period.

Unit : MB Baht

ASSET	As of September 30,2019	As of December 31,2018	Change %
Cash and cash equivalents	254.76	48.59	424.27%
Trade and other receivables	63.14	84.26	(25.07%)
Vessel supplies and spare parts	19.84	18.92	4.89%
Other Current assets	0.26	0.45	(40.69%)
Total current assets	338.00	152.22	122.05%
Vessels and equipment	1,486.78	1,269.56	17.11%
Intangible assets	1.85	2.18	(15.02%)
Other non-current assets	0.06	0.04	56.87%
Total non-current assets	1,488.69	1,271.78	17.06%
TOTAL ASSETS	1,826.69	1,424.00	28.28%

➤ Liabilities

As of 30 September 2019 Total Liabilities was 1,061.67 million baht increased from 1,010.98 million baht, as of 31 December 2018 due to increasing in long-term loan from financial institution for utilizing for working capital, investment in a vessel named V.L.21 and a new ship building respectively. However, the company still comply the financial ratio in accordance with the financial institution conditions.



Unit : MB Baht

LIABILITIES	As of September	As of December	Change
	30,2019	31,2018	%
Bank overdrafts and short-term loans	-	80.00	(100.00%)
Trade and other payables	38.56	64.09	(39.83%)
Deposit received from sales of fixed assets	16.44	-	100.00%
Current Portion of Financial Lease	0.95	0.25	278.39%
Current Portion of Long-term loans from financial institutions	155.21	123.45	25.73%
Corporate income tax payable	1.62	1.91	(14.94%)
Other current liabilities	0.61	0.69	(12.02%)
Total current liabilities	213.40	270.39	(21.08%)
Financial Lease	1.76	0.45	294.17%
Long-term loans from financial institution	830.61	726.32	14.36%
Deferred tax liabilities	10.99	10.18	7.98%
Employee benefit obligations	4.90	3.65	34.48%
Total non-current liabilities	848.27	740.59	14.54%
TOTAL LIABILITIES	1,061.67	1,010.98	5.01%

➤ Equity

As of 30 September 2019, Total Equity was 765.02 million baht increased from total equity as of 31 December 2019 amount 413.02 million baht, due to the Company has offered to sell the new issued shares in the initial public offering 200,000,000 shares by selling new shares to the subscribers at Baht 1.75 per share. The Company received the share payment Baht 350 million and has directly related expense to the public offering 18.41 million baht is shown deducted from the share premium received from the shareholders. The share premium on ordinary shares 231.59 million baht. The company also paid dividend during the 3rd quarter from retained earnings-unappropriated under promotional privileges by the Board of investment (BOI) in the amount of Baht 40 million at the rate of Baht 0.05 per share.



Unit : MB Baht

SHAREHOLDERS' EQUITY	As of September 30,2019	As of December 31,2018	Change %
Share capital : 800,000,000 ordinary shares of Baht 0.50 each	400.00	400.00	-
Issued and fully paid-up share capital	400.00	300.00	33.33%
Premium on share capital	231.59	-	100.00%
Surplus on business combination under common control	13.52	13.52	-
Retained earnings			
Appropriated - Legal reserve	13.05	13.05	-
Unappropriated	106.85	86.44	23.61%
TOTAL SHAREHOLDERS' EQUITY	765.02	413.02	85.23%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,826.69	1,424.00	28.28%

3. Cash Flows

Unit : MB Baht

Cash Flows	9M/2019	9M/2018	Change	Change %
cash provided by operating activities	173.41	155.20	18.21	11.73%
cash used in investing activities	(277.55)	(175.69)	(101.87)	57.98%
cash provided by (used in) financing activities	311.20	(30.27)	341.47	(1127.97%)
Net increase (decrease) in cash and cash equivalents	207.06	(50.76)	257.82	(507.92%)
Cash and cash equivalents as of 1 January	48.59	104.92	(56.32)	(53.68%)
Adjustments to gain (loss) on translation of foreign currency	(0.89)	(0.44)	(0.46)	105.54%
Cash and cash equivalents as of 30 September	254.76	53.72	201.03	374.20%

For the nine-month period ended 30 September 2019 Cash and cash equivalents increased from the same period of last year equal to 201.03 million baht or 374.20 percent. It is due to increase in long-term loan from financial institution for working capital, investment in a vessel named V.L.21 and a new ship building respectively. Moreover, the company received capital from initial public offering on May 21,2019.



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4. Ration

Ration	As of September 30,2019	As of December 31,2018
Debt to Equity Ratio (D/E) : (x)	1.39	2.45
Return on Asset (ROA) : %	4.96	4.37
Return on Equity (ROE) : %	13.67	12.92

Please be informed accordingly

Sincerely Yours

(Mrs. Chutipra Klinsuwan)

Chief Executive Officer