



3Q/9M 2019 Results Presentation

8 November 2019



FINANCIAL PERFORMANCE

- ▼ 3Q 2019 net profit¹ of S\$85.2 million on revenue of S\$869.1 million, translating to net profit margin of 9.8%.
- ▼ 9M 2019 net profit of S\$266.9 million on revenue of S\$2,701.4 million, translating to net profit margin of 9.9%.
- ▼ Earnings per share² improved to 29.1 Singapore cents in 3Q 2019 and 92.0 Singapore cents in 9M 2019.



FINANCIAL POSITION & CASH FLOW

- ▼ Net cash position of S\$802.4 million as at 30 September 2019.
- ▼ Free cash flow of S\$337.7 million generated in 9M 2019.
- ▼ Net asset value per share of S\$8.42 as at 30 September 2019.

1. Net profit refers to profit attributable to owners of the Company
2. Earnings per share (EPS) is on a fully diluted basis



FINANCIAL PERFORMANCE REVIEW

3Q 2019 Results Summary

(S\$m)	3Q 2019
Revenue	869.1
Profit before tax	98.6
PBT Margin (%)	11.3
Income tax expense	(13.2)
Effective Tax Rate (%)	13.4
Net profit	85.2
Net Margin (%)	9.8
EPS (cents)	29.1

3Q 2019 Results – YoY Comparison



(S\$m)	3Q 2019	3Q 2018	%
Revenue	869.1	770.4	12.8
Profit before tax	98.6	94.7	4.1
PBT Margin (%)	11.3	12.3	
Income tax expense	(13.2)	(13.9)	(5.0)
Effective Tax Rate (%)	13.4	14.7	
Net profit	85.2	80.8	5.5
Net Margin (%)	9.8	10.5	
EPS (cents)	29.1	27.8	4.7

2019 Sequential Results Summary

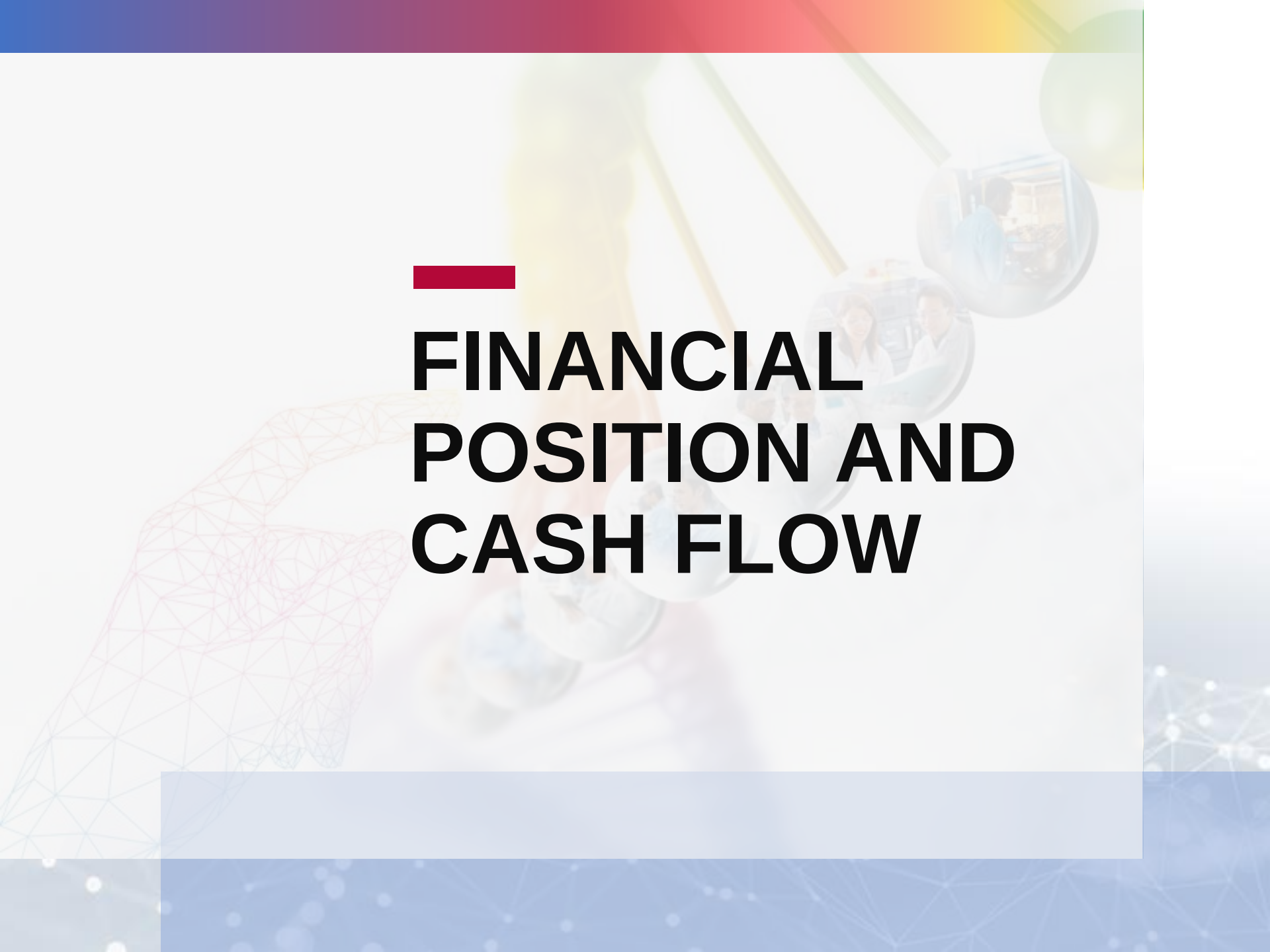


(S\$m)	1Q 2019	2Q 2019	3Q 2019	9M 2019
Revenue	928.8	903.5	869.1	2,701.4
Profit before tax	106.2	105.4	98.6	310.2
PBT Margin (%)	11.4	11.7	11.3	11.5
Income tax expense	(15.4)	(14.5)	(13.2)	(43.1)
Effective Tax Rate (%)	14.5	13.7	13.4	13.9
Profit attributable to owners	90.9	90.8	85.2	266.9
Net Profit Margin (%)	9.8	10.1	9.8	9.9
EPS (cents)	31.5	31.4	29.1	92.0

9M 2019 Results – YoY Comparison



(S\$m)	9M 2019	9M 2018	%
Revenue	2,701.4	2,578.7	4.8
Profit before tax	310.2	308.5	0.5
PBT Margin (%)	11.5	12.0	
Income tax expense	(43.1)	(46.1)	(6.5)
Effective Tax Rate (%)	13.9	14.9	
Net profit	266.9	262.4	1.7
Net Margin (%)	9.9	10.2	
EPS (cents)	92.0	90.2	2.0



FINANCIAL POSITION AND CASH FLOW

Balance Sheet Summary

(S\$m)	30 September 2019	31 December 2018
Cash & Bank Balances	803.6	712.8
Net Current Assets	1,510.8	1,455.7
Net Non-current Assets	918.8	896.4
Total Net Assets	2,429.6	2,352.1
Accumulated Profits	1,678.2	1,613.3
Share Capital & Reserves	749.0	736.6
Non-Controlling Interests	2.4	2.2
Total Equity	2,429.6	2,352.1
Net Asset Value per Share	S\$8.42	S\$8.16

Comparison of Net Cash Position

(S\$m)	30 September 2019	31 December 2018	30 September 2018
Cash & Bank Balances	803.6	712.8	740.3
Total Loans	(1.3)	(1.8)	(42.4)
Net Cash	802.4	711.0	697.9

- ❖ Group net cash position remained robust at S\$802.4 million, driven by strong operating cash flow.
- ❖ Net cash position improved despite paying out interim and final dividends totalling S\$201.7 million in 9M 2019.

Comparison of Working Capital

(S\$m)	30 September 2019	31 December 2018	30 September 2018
Trade Receivables	726.2	735.9	597.8
Trade Payables	(517.0)	(529.0)	(453.0)
AR – AP	209.2	206.9	144.8
Inventories	760.7	808.2	795.7
Working Capital	969.9	1,015.1	940.5

 Working Capital maintained at a relatively similar level year-on-year.

 Inventories reduced over the quarters from changes in product mix and a normalised supply from the components market.

Comparison of Free Cash Flow

(S\$m)	9M 2019	9M 2018
Operating profit before working capital changes	329.7	326.4
Cash generated from operations	368.9	276.9
<u>Less</u> Capex	(31.2)	(53.9)
Free cash flow	337.7	223.0

- ❖ Cash generated from operations improved by S\$92.0 million (33.2%) year-on-year.
- ❖ Consequently, free cash flow increased by S\$114.7 million (51.4%) year-on-year.



OUTLOOK

In 3Q 2019, Venture delivered a creditable set of results. Revenue and profit have improved year-on-year amidst the US/China trade and tariff war, Brexit, currency volatility and other headwinds.

Over the next 12 months, some uncertainties in the business and geopolitical environment may remain unabated. Venture continues to see some hastened efforts to shift supply chain flows by OEMs for tariff mitigation. The Group does take advantage of these shifts to render support to its partners.

Venture will be supporting several partners in their new and key product launches over the next 12 months. More importantly, the Group expects to see traction in its entries into new technology domains and ecosystems. Venture is ebullient as to what new opportunities may portend in the future. The Group will continue to invest into growing and expanding its differentiating capabilities in selected technology domains and new ecosystems through multilateral partnerships globally.

There will be enhanced focus to bring Venture's globally linked Clusters of Excellence to greater heights over the next few years.

This presentation may contain certain forward-looking statements including, but not limited to, statements as to future operating results and plans.

These statements are based on our assumptions and estimates and are subject to known and unknown risks and uncertainties and other factors which may cause the actual results, performance or achievements of the Group to differ materially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements.

Consequently, readers are cautioned not to place undue reliance on any forward-looking statements.



Thank You

