



VENTURE REPORTS 1H 2021 NET PROFIT OF S\$140.4 MILLION ON REVENUE OF S\$1,432.2 MILLION, WITH NET MARGIN OF 9.8%

SEQUENTIALLY, 2Q 2021 NET PROFIT AND REVENUE GREW BY 14.9% AND 8.6% RESPECTIVELY

1H 2021 INTERIM DIVIDEND OF S\$0.25 PER SHARE DECLARED, CONSISTENT WITH 1H 2020 INTERIM DIVIDEND

SINGAPORE, 6 AUGUST 2021 – Venture Corporation Limited today reported its financial performance for the six months ended 30 June 2021.

FINANCIAL RESULTS HIGHLIGHTS

- 1H 2021 net profit of S\$140.4 million on revenue of S\$1,432.2 million, translating to net margin of 9.8%.
 - Year-on-year improvement in margins reflects Venture's differentiating business models and value propositions that are continuously transformed and enhanced in this dynamic operating environment.
- 2Q 2021 net profit of S\$75.1 million on revenue of S\$745.5 million, translating to net margin of 10.1%.
 - Steady progress in 2Q 2021, underpinned by strong value creation/capture achieved by our high-calibre group of science & technology experts, as well as high-performing professionals in operations and other support functions.
- Earnings per share of 48.1 Singapore cents in 1H 2021.
- Net cash position of S\$922.2 million as at 30 June 2021.
- Free cash flow of S\$161.1 million generated in 1H 2021.
- Net asset value per share of S\$8.93 as at 30 June 2021.
- Interim dividend of S\$0.25 per share declared.

For the six months ended 30 June 2021 (1H 2021), the Group generated revenue of S\$1,432.2 million (+4.9% YoY). For the three months ended 30 June 2021 (2Q 2021), the Group registered revenue of S\$745.5 million (+8.6% QoQ). Revenue recorded steady growth on the back of strong customers' orders. Venture's provident strategy to set up working taskforces in collaboration with a strong supportive network of global partners, business associations and government authorities had

positioned the Group well to mitigate most challenges precipitated by Covid-19 pandemic to deliver on our commitment to customers.

The Group posted profit before tax (PBT) of S\$86.7 million for 2Q 2021 and S\$161.7 million (+7.0% YoY) for 1H 2021. PBT for 2Q 2021 registered healthy sequential growth at +15.7% over 1Q 2021. In line with the PBT, the Group reported income tax expense of S\$21.3 million for 1H 2021. Net profit (profit attributable to owners of the Company) was S\$75.1 million for 2Q 2021 (+14.9% QoQ) and S\$140.4 million for 1H 2021 (+7.6% YoY). This translated to a net margin of 10.1% for 2Q 2021 and 9.8% for 1H 2021 (2Q 2020: 10.1%, 1H 2020: 9.6%). The Group continues to deliver strong sequential progress reflecting Venture's differentiating business models and value propositions that are continuously transformed and enhanced in this dynamic operating environment.

Diluted Earnings Per Share was 48.1 cents for the first half of 2021 (1H 2020: 44.9 cents).

FINANCIAL POSITION AND CASH FLOW

The Group generated operating cash flow of S\$176.2 million before working capital changes for 1H 2021 (1H 2020: S\$167.6 million). The Group registered an improvement in working capital position mainly due to lower net receivables and payables position offset by higher inventories to ensure assurance of supply. For the six months ended 30 June 2021, the Group achieved strong cash flow from operations at S\$165.3 million (1H 2020: S\$271.3 million).

As at 30 June 2021, the Group recorded cash and bank balance and net cash position of S\$922.2 million (S\$928.7 million as at 31 Dec 2020). On 25 May 2021, the Group paid a final tax-exempt dividend of 50 cents per ordinary share amounting to S\$145.2 million (1H 2020: S\$144.4 million). Notwithstanding the dividend payment, net cash as at 30 June 2021 remained healthy.

As at 30 June 2021, equity attributable to owners of the Company was S\$2,593.9 million (S\$2,586.5 million as at 31 Dec 2020) and Net Asset Value per share was S\$8.93 (S\$8.92 as at 31 Dec 2020).

DECLARED INTERIM DIVIDEND

The Board of Directors has declared an interim dividend of S\$0.25 per share on a one-tier tax-exempt basis, consistent with the 1H 2020 interim dividend. The 1H 2021 interim dividend payment date will be on 17 September 2021.

Although the Group does not have a formal dividend policy, it has strived to pay dividends that are on par or more than the previous year.

OUTLOOK

Based on customers' feedback, demand outlook for Venture over the next 12 months appears ebullient. In the fast-growing Life Science Technology and Genomics domain, where Venture has gained good traction over the years, the Group sees sustained expanding demand for innovative products and services. In particular, there are new emerging trends in next-generation sequencing and diagnostics. Venture's R&D Labs and Operations are deeply involved in developing/manufacturing breakthrough technology products for our customers. An example is for an emerging life science technology group that has established an industry-leading position in single cell analysis and continues to expand its expertise to new adjacent domains through M&As. Venture remains a key partner to its customers whose products are still highly sought after in the fight against COVID-19 and other diseases. The Group is also developing strategic modules as well as co-development of solutions with other erstwhile partners, to expand its participation in these domains.

In the Lifestyle Consumer Electronics Cluster, Venture continues to render strong development/manufacturing services, including supporting the launch of a new platform of next-generation devices. The launch of these new platform products is expected to commence in the second half of 2021.

Another new area of growth for Venture is in Liquid Chromatography and Mass Spectrometry. Other domains showing positive trends include Test & Measurement Instrumentation, Networking & Communications, Advanced Industrials, and Semiconductor-related Equipment.

Although customers' orders/forecasts indicate sustained strong end-market demand, full fulfilment is contingent on the availability of parts and components. Venture has put in place multiple strategies to improve its access to raw materials and enhance its assurance of supply. Some of these strategies include redesigning parts and components to overcome shortages. All our operating groups are securing customers' confirmed orders for advance inventory procurement, as well as reaffirming suppliers' delivery commitment by rallying support from our customers and partners.

Despite the Extended Movement Control Order (EMCO) in Malaysia, Venture continues to operate as an essential economic sector. Although certain restrictions from the EMCO remain in place, the Group has been improving its operational efficiencies through tactical strategies to support order fulfilment. Vaccination programmes have commenced at our Malaysia sites. Venture aims to have more than 80% of its Malaysia-based employees receive their first vaccination dose by the third quarter of 2021, which will enhance the well-being of our people while allowing our sites to operate safely.

Based on good traction in selected technology domains, Venture will continue to invest strongly in developing new capabilities and growing its science & technology sector with a larger talent pool. High-calibre professionals are also being recruited to foster new differentiating pathways, which will further strengthen our globally linked Clusters of Excellence.

These steps are taken to accelerate the continuous transformation of the Group's business goals and strategic direction, to stay relevant and impactful in its marketplace always.

--- END ---

Submitted by Devika Rani Davar, Company Secretary, on 6 August 2021 to the Singapore Exchange Securities Trading Limited.

This press release is also available at www.venture.com.sg.
(Company Reg. No.: 198402886H)

For more information, please contact:

Ms Karin Xiao

Senior Manager, Investor Relations & Corporate Communications

Venture Corporation Limited

Tel : +65 6484 8136

E-mail : karin.xiao-kl@venture.com.sg

ABOUT VENTURE (www.venture.com.sg)

Venture Corporation Limited (“**Venture**” or the “**Group**”) was founded in 1989 as an electronic services provider after the merger of three companies. Today, it is a leading global provider of technology solutions, products and services with established capabilities spanning marketing research, design and development, product and process engineering, design for manufacturability, supply chain management, as well as product refurbishment and technical support across a widely diversified range of technology domains.

Headquartered in Singapore, the Group comprises more than 30 companies with global clusters in Southeast Asia, Northeast Asia, America and Europe and employs over 12,000 people worldwide.

The Group has built know-how and intellectual property with expertise in several technology domains. These include life science, genomics, molecular diagnostics, medical devices and equipment, healthcare and wellness technology, lifestyle consumer technology, health improvement products, instrumentation, test and measurement technology, networking and communications, fintech, as well as computing, printing and imaging technology. The Group manages a portfolio of more

than 5,000 products and solutions and continues to expand into new technology domains through its collaborations with customers and partners in selected ecosystems of interest.

Venture is a strategic partner of choice for over 100 global companies including Fortune 500 corporations. It ranks among the best in managing the value chain for leading electronics companies. The Group is committed to enhancing its competencies through further investments in technologies, market access capabilities, its people and expanding connectivity with other enterprises and research-intensive organisations/institutions in its ecosystem of interests. It stands poised to provide the leading edge and remain relevant in a constantly changing and evolving world.