

VICOM'S RESULTS
FOR THE HALF YEAR ENDED 30 JUNE 2022

- *Revenue for the first six months increased by 8.5% to \$53.3 million.*
- *Group operating profit increased by 10.6% to \$16.5 million.*
- *Net profit attributable to Shareholders increased by 9.2% to \$13.1 million.*

Singapore, 11 August 2022 – VICOM Ltd today announced its unaudited results for the half year ended 30 June 2022.

Highlights

	1H2022 (\$m)	1H2021 (\$m)	% change
Revenue	53.3	49.2	8.5
Operating Profit	16.5	14.9	10.6
Net Profit Attributable to Shareholders	13.1	12.0	9.2
EBITDA	20.1	18.4	9.4
EPS - cents	3.70	3.38	9.5

Introduction

Demand for the Group's services has moved in tandem with the improving Singapore economy. This has been especially so for the non-vehicle testing business which is highly dependent on the recovery of the construction, marine & offshore, oil & gas and manufacturing sectors. Rising inflationary pressures and the tight labour market will however serve as pain points for the Group for the rest of the year.

Financial Performance

Group revenue increased by 8.5% to \$53.3 million contributed by higher business volumes.

Consequently, the Group's operating profit grew by 10.6% to \$16.5 million for the period under review.

Net profit attributable to shareholders increased by 9.2% to \$13.1 million.

VICOM Chief Executive Officer Sim Wing Yew said: "As Singapore emerges from the COVID-19 pandemic, demand for VICOM's services, especially in the non-vehicle testing segment, is improving. But growing inflationary pressures and the threat of recession loom near and we are not out of the woods yet. We will thus continue to keep a tight lid on costs and adopt a cautionary stance in the immediate future."

Dividend

A tax-exempt one-tier interim dividend of 3.32 cents per share has been declared representing a payout ratio of 90%.

Commentary

Demand related to the vehicle testing business is expected to remain stable. However, there is an expected drop in demand for new car registration and emission testing services because of the twin effects of the lower Certificate of Entitlement quota and the reduction in vehicle production given the world-wide shortage of microchips.

Demand related to the non-vehicle testing business is expected to increase in tandem with the current better economy.

Although the outlook from the demand side of the business remains positive, there are rising inflationary cost pressures led mainly by high energy prices, supply chain disruption and manpower shortage.

Barring unforeseen circumstances, the Group expects satisfactory performance in the 2nd half of 2022.

Background

VICOM Ltd is Singapore's leading provider in inspection and technical testing services, offering a comprehensive range of inspection and testing services in vehicle and non-vehicle testing fields including mechanical, biochemical, civil engineering and non-destructive testing.

For further clarification, please call:

Ms Tammy Tan
Group Chief Corporate Communication Officer
ComfortDelGro Corporation
DID: 6383-8021/9683-0732
Email: tammytan@comfortdelgro.com