



# **4Q/FY 2020 Results Presentation**

**26 February 2021**

- ▼ FY 2020 net profit<sup>1</sup> of S\$297.3 million on revenue of S\$3,012.9 million.
  - ▼ Net margin remained relatively stable year-on-year at 9.9%.
- ▼ 4Q 2020 net profit of S\$86.7 million on revenue of S\$828.8 million.
  - ▼ Net profit grew 8.1% quarter-on-quarter in 4Q 2020; net margin improved year-on-year and quarter-on-quarter to 10.5%.
- ▼ Earnings per share<sup>2</sup> of S\$1.02 in FY 2020.
- ▼ Cash position of S\$928.7 million as at 31 December 2020.
- ▼ Free cash flow of S\$470.9 million generated in FY 2020.
- ▼ Net asset value per share of S\$8.92 as at 31 December 2020.
- ▼ Proposed final dividend of S\$0.50 per share<sup>3</sup> to bring FY 2020 total dividend to S\$0.75<sup>4</sup> per share.

1. Net profit refers to profit attributable to owners of the Company

2. Earnings per share (EPS) is on a fully diluted basis

3. Subject to shareholders' approval at the Annual General Meeting in April 2021

4. Including interim dividend of S\$0.25 paid in September 2020.



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# **FINANCIAL PERFORMANCE REVIEW**

# 4Q 2020 Results – QoQ Comparison



(S\$m)	4Q 2020	3Q 2020	%
<b>Revenue</b>	<b>828.8</b>	818.4	1.3
<b>Profit before tax</b>	<b>98.9</b>	92.9	6.5
PBT Margin (%)	11.9	11.3	
<b>Income tax expense</b>	<b>(12.3)</b>	(12.7)	(3.0)
Effective Tax Rate (%)	12.4	13.6	
<b>Net profit</b>	<b>86.7</b>	80.2	8.1
Net Margin (%)	10.5	9.8	
<b>EPS (cents)</b>	<b>29.8</b>	27.5	8.1

Driven by astute cost management and improved productivity, the Group reported higher Profit Before Tax Margin of 11.9% and Net Margin of 10.5% compared to the previous quarter.

# 2020 Sequential Results Summary



(S\$m)	FY2020	1Q 2020	2Q 2020	1H 2020	3Q 2020	4Q 2020	2H 2020	2H vs 1H (%)
<b>Revenue</b>	<b>3,012.9</b>	673.0	692.7	<b>1,365.7</b>	818.4	828.8	<b>1,647.2</b>	20.6
<b>Profit before tax</b>	<b>342.8</b>	69.9	81.2	<b>151.1</b>	92.9	98.9	<b>191.7</b>	26.9
<b>PBT Margin (%)</b>	<b>11.4</b>	10.4	11.7	<b>11.1</b>	11.3	11.9	<b>11.6</b>	
<b>Income tax expense</b>	<b>(45.4)</b>	(9.6)	(11.0)	<b>(20.5)</b>	(12.7)	(12.3)	<b>(24.9)</b>	21.6
<b>Effective Tax Rate (%)</b>	<b>13.3</b>	13.7	13.5	<b>13.6</b>	13.6	12.4	<b>13.0</b>	
<b>Net profit</b>	<b>297.3</b>	60.3	70.2	<b>130.5</b>	80.2	86.7	<b>166.8</b>	27.8
<b>Net Profit Margin (%)</b>	<b>9.9</b>	9.0	10.1	<b>9.6</b>	9.8	10.5	<b>10.1</b>	
<b>EPS (cents)</b>	<b>102.2</b>	20.8	24.2	<b>44.9</b>	27.5	29.8	<b>57.3</b>	27.6

# FY 2020 Results – YoY Comparison



<b>(S\$m)</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>%</b>
<b>Revenue</b>	<b>3,012.9</b>	3,633.4	(17.1)
<b>Profit before tax</b>	<b>342.8</b>	420.0	(18.4)
<b>PBT Margin (%)</b>	<b>11.4</b>	11.6	
<b>Income tax expense</b>	<b>(45.4)</b>	(56.6)	(19.8)
<b>Effective Tax Rate (%)</b>	<b>13.3</b>	13.5	
<b>Net profit</b>	<b>297.3</b>	363.1	(18.1)
<b>Net Margin (%)</b>	<b>9.9</b>	10.0	
<b>EPS (cents)</b>	<b>102.2</b>	125.3	(18.4)



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# **FINANCIAL POSITION AND CASH FLOW**



# Balance Sheet Summary



<b>(S\$m)</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Cash &amp; Bank Balances</b>	<b>928.7</b>	<b>714.5</b>
<b>Net Current Assets</b>	<b>1,687.1</b>	<b>1,590.0</b>
<b>Net Non-current Assets</b>	<b>902.0</b>	<b>908.6</b>
<b>Total Net Assets</b>	<b>2,589.1</b>	<b>2,498.6</b>
<b>Accumulated Profits</b>	<b>1,854.4</b>	<b>1,774.6</b>
<b>Share Capital &amp; Reserves</b>	<b>732.0</b>	<b>721.6</b>
<b>Non-Controlling Interests</b>	<b>2.7</b>	<b>2.4</b>
<b>Total Equity</b>	<b>2,589.1</b>	<b>2,498.6</b>
<b>Net Asset Value per Share</b>	<b>S\$8.92</b>	<b>S\$8.65</b>



# Comparison of Net Cash Position

<b>(S\$m)</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Cash &amp; Bank Balances</b>	<b>928.7</b>	714.5
<b>Total Loans</b>	-	(1.1)
<b>Net Cash</b>	<b>928.7</b>	713.4

- Net cash position remained healthy at S\$928.7 million, despite an increase in total dividends paid in FY 2020 compared to FY 2019.
- This reflects the Group's ability to generate strong cash flow from operations.

# Comparison of Working Capital

<b>(S\$m)</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Trade Receivables</b>	<b>702.7</b>	898.9
<b>Trade Payables</b>	<b>(397.5)</b>	(490.3)
<b>AR – AP</b>	<b>305.1</b>	408.6
<b>Inventories</b>	<b>656.5</b>	706.2
<b>Working Capital</b>	<b>961.6</b>	1,114.7

- Working Capital position lower year-on-year, while Inventories remained adequately managed to enable assurance of supply.

# Comparison of Free Cash Flow

(S\$m)	FY 2020	FY 2019
Operating profit before working capital changes	383.8	448.5
Cash generated from operations	498.6	291.7
<u>Less</u> Capex	(27.8)	(35.1)
Free cash flow	470.9	256.7

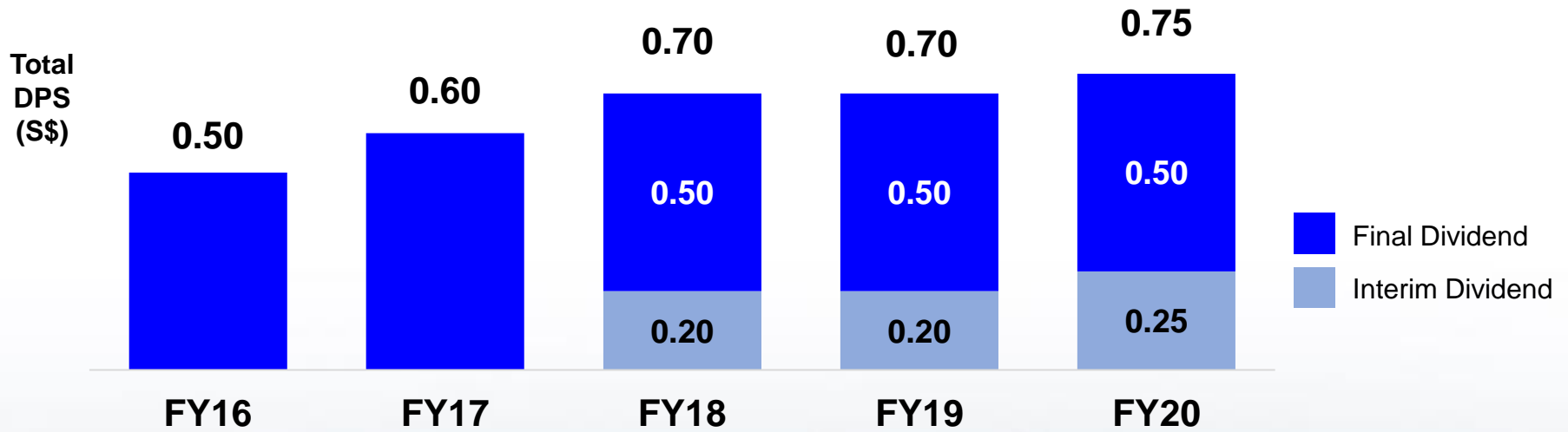
- ❖ Cash generated from operations grew by S\$206.9 million (+70.9%) year-on-year, resulting in improved free cash flow of S\$470.9 million.



**PROPOSED  
FINAL DIVIDEND**

## Key Dates

- ▼ Book Closure Date: 5pm, 11 May 2021
- ▼ Payment Date: 25 May 2021 (subject to shareholders' approval at the AGM in April 2021)



- ▼ The Board of Directors has recommended a final dividend of S\$0.50 per share on a one-tier tax-exempt basis.
- ▼ Including the interim dividend of S\$0.25 paid in September 2020, total dividend for FY 2020 is S\$0.75, which translates to a dividend yield of 3.9%<sup>1</sup>.

1. Based on Venture's closing share price of S\$19.42 on 31 December 2020.



# OUTLOOK



On the back of a robust 3Q 2020 recovery, Venture posted another quarter of sequential improvement in 4Q 2020. Overall, the Company delivered a stronger 2H 2020 compared to 1H 2020.

Venture continues to work on a variety of products, solutions, and new opportunities in diverse technology domains. Expected demand for Genomics-related Products and Solutions and Advanced Equipment for Analysis/Diagnostic Use in Biological Systems will drive our growth in the Life Science Technologies domain. The ongoing pandemic presents opportunities in the development of pandemic-related testing and diagnostic products and solutions.

Harnessing the synergies of the core skills and expertise within Venture's R&D Lab, we are integrating our value proposition to develop cutting-edge devices and solutions in the key domains of Life Science Technologies, Medical Devices/Equipment and Lifestyle and Wellness Consumer products.

Venture will widen its participation in the Robotics, Automation and Artificial Intelligence; and Advanced Semiconductor-related Equipment domains, to tap into the growth opportunities in these market segments. The wide-ranging advances and growing applications of Photonics and Networking and Communications technologies will drive the demand for our expertise in these domains. Leveraging on the Group's extensive knowhow across diverse domains, we are optimistic about the opportunities to create and capture value in new adjacent domains, such as the Battery Electric Vehicle (BEV) industry.

Venture's well thought out multi-year strategy will continue to strengthen its Clusters of Excellence to improve productivity, enhance its supply chain management, deliver high-value products, and develop innovative solutions. As a growing contributor in several dynamic ecosystems, we will forge successful multilateral partnerships that will drive multiplier effect and synergistic outcomes.



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**

