



One Venture
Infinite
Possibilities

3Q 2018 / 9M 2018 RESULTS ANNOUNCEMENT



FINANCIAL PERFORMANCE REVIEW



3Q 2018 Results Summary



(S\$m)	3Q 2018
Revenue	770.4
Profit before taxation	94.7
PBT Margin (%)	12.3%
Income tax expense	(13.9)
Effective Tax Rate (%)	14.7%
Profit attributable to owners	80.8
Net Profit Margin (%)	10.5%
EPS (cents)	27.8

3Q 2018 Results Summary - YoY Comparison

(S\$m)	3Q 2018	3Q 2017	%
Revenue	770.4	1,061.9	(27.4)
Profit before taxation	94.7	131.3	(27.9)
PBT Margin (%)	12.3%	12.4%	
Income tax expense	(13.9)	(19.9)	(30.3)
Effective Tax Rate (%)	14.7%	15.2%	
Profit attributable to owners	80.8	111.4	(27.5)
Net Profit Margin (%)	10.5%	10.5%	
EPS (cents)	27.8	38.9	(28.5)

9M 2018 Results Summary



(S\$m)	9M 2018	1Q 2018	2Q 2018	3Q 2018
Revenue	2,578.7	856.0	952.3	770.4
Profit before tax	308.5	98.6	115.2	94.7
PBT Margin (%)	12.0%	11.5%	12.1%	12.3%
Income tax expense	(46.1)	(14.9)	(17.3)	(13.9)
Effective Tax Rate (%)	14.9%	15.1%	15.0%	14.7%
Profit attributable to owners	262.4	83.7	97.9	80.8
Net Profit Margin (%)	10.2%	9.8%	10.3%	10.5%
EPS (cents)	90.2	28.8	33.6	27.8

9M 2018 Results Summary - YoY Comparison

(S\$m)	9M 2018	9M 2017	%
Revenue	2,578.7	2,918.1	(11.6)
Profit before taxation	308.5	275.8	11.9
PBT Margin (%)	12.0%	9.5%	
Income tax expense	(46.1)	(46.0)	0.1
Effective Tax Rate (%)	14.9%	16.7%	
Profit attributable to owners	262.4	229.8	14.2
Net Profit Margin (%)	10.2%	7.9%	
EPS (cents)	90.2	80.5	12.0

FINANCIAL POSITION & CASHFLOW AS AT 30 SEP 2018



Balance Sheet Summary



(S\$m)	As at 30.09.18	As at 31.12.17 (Restated)¹
Cash & Bank Balances	740.3	752.4
Net Current Assets	1,348.9	1,301.7
Net Non-current Assets	900.5	866.3
Total Net Assets	2,249.3	2,168.1
Accumulated Profits	1,505.6	1,473.5
Share Capital & Reserves	741.5	692.3
Non-Controlling Interests	2.3	2.3
Total Equity	2,249.3	2,168.1
NAV	S\$7.80	S\$7.61

1. Arising from the initial adoption of SFRS(I) effective 1 January 2018, the Group elected to reset the foreign translation reserve. Cumulative debit balance of S\$144.4 million was transferred to accumulated profits as at 1 January 2017.

Comparison of Net Cash Position



(S\$'m)	As at 30.09.18	As at 31.12.17	As at 30.09.17
Cash & Bank Balances	740.3	752.4	599.6
Total Loans	(42.4)	(30.8)	(64.5)
Net Cash	697.9	721.6	535.1

▼ Group net cash position remained strong at S\$697.9 million after final dividend payment of S\$172.4 million in May 2018 and interim dividend payment of S\$57.6 million in September 2018, totalling S\$230.0 million.

▼ Year-on-year, net cash increased by S\$162.8 million (+30.4%).

Comparison of Working Capital



(S\$m)	As at 30.09.18	As at 31.12.17 (Restated)	As at 30.09.17
Trade Receivables	597.8	762.6	803.7
Trade Payables	(453.0)	(581.4)	(627.9)
AR – AP	144.8	181.2	175.8
Inventories	795.7	699.6	703.9
Working Capital	940.5	880.9	879.7

- ▼ The Group held S\$795.7 million of Inventories as at 30 September 2018 to provide assurance of supply to support customers' programmes and alleviate pressures from the shifting and disruption of the global supply chain.



Comparison of Free Cash Flow

(S\$'m)	9M 2018	9M 2017
Operating profit before working capital changes	326.4	315.9
Cash generated from operations	276.9	308.6
<u>Less</u> Capex	(53.9)	(26.3)
Free cash flow	223.0	282.3

- ▼ The Group generated operating cash flow of S\$326.4 million before working capital changes.
- ▼ Capital expenditure in 9M 2018 mainly comprised the acquisition of a freehold property in Milpitas, California, USA for S\$38.4 million and machinery/equipment.

OUTLOOK





Outlook

Venture takes pride in its ability to create impactful value for its customers, through its innovative R&D capabilities, transformational engineering and operational excellence. The Group anticipates that new product introductions from several customers are expected to drive healthy revenue improvement sequentially in the next quarter. As Venture continues to deepen its existing collaborative partnerships, it is concurrently working on broadening its strategic alliances across its diversified portfolio of new and adjacent ecosystems. The Group also expects to capture revenue contribution from several new customers in the next quarter, with improving traction in subsequent reporting periods. Furthermore, customers' M&A transitions are still in progress and the Group believes that business momentum should pick up again after the M&A integration processes are completed.

While current trade tariffs have no material impact on the Group's business at this moment, the Group is cognizant that a major escalation of the trade war may lead to new macroeconomic risks.

The Venture Group is well-positioned to strengthen and develop its Clusters of Excellence, differentiated strategies and diverse competencies to capture new opportunities arising from the everchanging business environment. In addition, growth drivers across Venture's broad-based portfolio of technology domains and strong supply chain management will provide resilience and stability to its long-term performance.

Caution Concerning Forward-Looking Statements

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

