



# FY2020 Financial Results Presentation

**28 April 2021**

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- Review of Financial Results
- Dividend Payout and Shareholder Return



# REVIEW OF FINANCIAL RESULTS

# Income Statement – 2020

	2020	2019	Fav/(Adv)	
	\$'m	\$'m	\$'m	%
Revenue	86.5	103.7	(17.2)	(16.6)
Operating Costs	(57.1)	(69.5)	12.4	17.8
Operating Profit	29.3	34.2	(4.9)	(14.3)
Profit After Tax	25.0	28.9	(3.9)	(13.5)
Profit after Tax and Minority Interest (PATMI)	24.5	28.4	(3.9)	(13.7)
EBITDA	36.7	41.6	(4.9)	(11.8)
Operating Profit before COVID-19 Government Reliefs	21.6	34.2	(12.6)	(36.8)
COVID-19 Government Reliefs	7.7	-	7.7	NM
Operating Profit after COVID-19 Government Reliefs	29.3	34.2	(4.9)	(14.3)

*NM - Not Meaningful*

# Income Statement – 2020

## 2020 vs 2019

- Revenue ↓\$17.2m
  - Mainly from lower business volumes affected by the impact of COVID-19, resultant Circuit Breaker from 7<sup>th</sup> April 2020 to 1<sup>st</sup> June 2020 and the subsequent Safe Management Measures
  - Non-vehicle testing services serving the construction, marine and process industries are particularly hard hit
- Operating Costs ↓\$12.4m
  - Mainly from lower staff costs including COVID-19 Government reliefs of \$7.7m in Jobs Support Scheme, waiver and rebates of Foreign Worker Levy
  - Other variable operating costs \$4.7m in tandem with lower revenue
- Operating Profit ↓\$4.9m
  - Lower revenue offset by lower operating cost
- Profit after Tax and Minority Interest (PATMI) ↓\$3.9m
  - As a result of the lower operating and lower interest income offset by lower tax expenses

# Income Statement – Quarter-to-Quarter 2020

	1Q 2020	2Q 2020	3Q 2020	4Q 2020
	\$'m	\$'m	\$'m	\$'m
Revenue	25.3	14.5	22.2	24.5
Operating Costs	(16.4)	(12.0)	(13.9)	(14.8)
Operating Profit	8.9	2.5	8.3	9.6
Profit After Tax	7.4	2.5	7.0	8.1
Profit after Tax and Minority Interest (PATMI)	7.3	2.4	6.8	8.0
EBITDA	10.7	4.3	10.1	11.6

Operating Profit/(Loss) before COVID-19 Government Reliefs	8.9	(1.3)	6.2	7.8
COVID-19 Government Reliefs	-	3.8	2.1	1.8
Operating Profit after COVID-19 Government Reliefs	8.9	2.5	8.3	9.6

# Income Statement – Quarter-to-Quarter 2020

1Q 2020 – Performance was comparable with 4Q 2019 and not impacted by COVID-19.

2Q 2020 – Performance was impacted by the Circuit Breaker.

Revenue at fell by \$10.8m or 42.7% from \$25.3m in 1Q 2020 to \$14.5m in 2Q 2020. Operating profit fell by \$6.4m or 71.9% from \$8.9m in 1Q 2020 to \$2.5m in 2Q 2020.

3Q 2020 – Performance improved after exiting from Circuit Breaker.

Revenue increased by \$7.7m or 53.1% from \$14.5m in 2Q 2020 to \$22.2m in 3Q 2020. Operating profit increased by \$5.8m or 232.0% from \$2.5m in 2Q 2020 to \$8.3m in 3Q 2020.

4Q 2020 – Recovery from COVID-19 continued through 4Q 2020.

Revenue increased by \$2.3m or 10.4% from \$22.2m in 3Q 2020 to \$24.5m in 4Q 2020. Operating profit increased by \$1.3m or 15.7% from \$8.3m in 3Q 2020 to \$9.6m in 4Q 2020.

# Balance Sheet

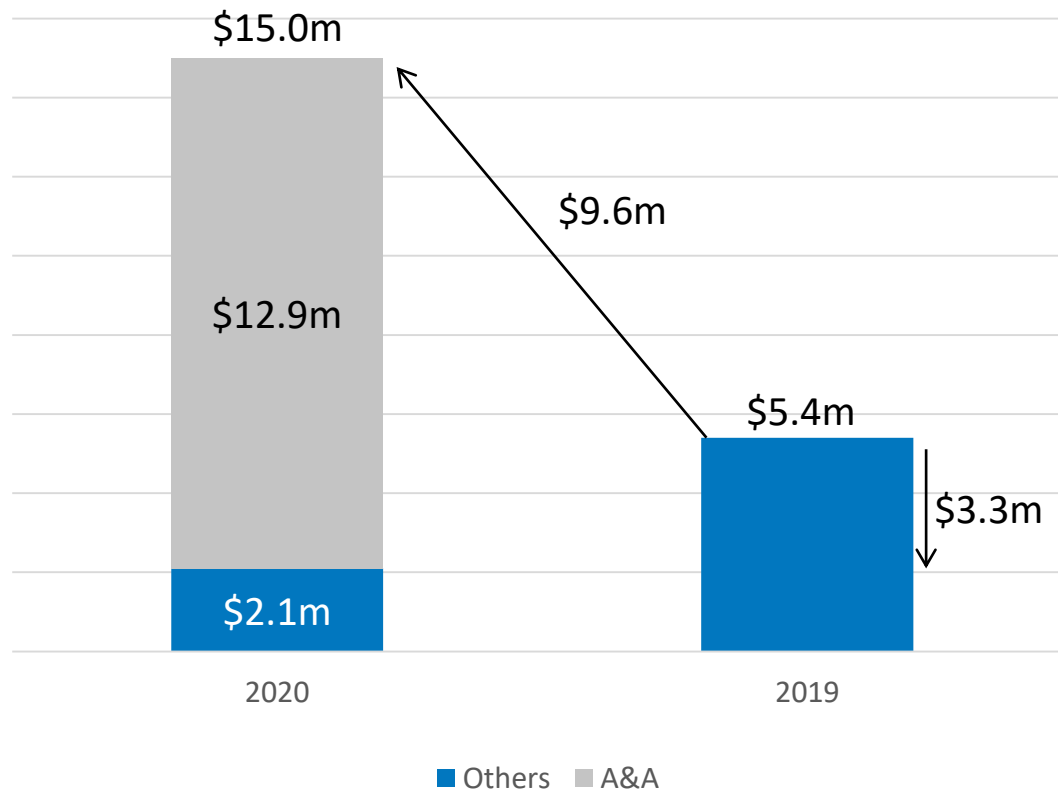
	2020	2019	Fav/(Adv)	
	\$'m	\$'m	\$'m	%
Cash & Cash Equivalents	93.2	92.9	0.3	0.3
Other Current Assets	12.3	18.0	(5.7)	(31.7)
Non-Current Assets	102.4	94.2	8.2	8.7
<b>Total Assets</b>	<b>207.9</b>	<b>205.1</b>	<b>2.8</b>	<b>1.4</b>
Current Liabilities	39.2	38.9	0.3	0.8
Non-Current Liabilities	33.2	33.9	(0.7)	(2.1)
<b>Total Liabilities</b>	<b>72.4</b>	<b>72.8</b>	<b>(0.4)</b>	<b>(0.5)</b>
<b>Total Equity</b>	<b>135.5</b>	<b>132.3</b>	<b>3.2</b>	<b>2.4</b>

- Balance sheet remains strong with healthy cash & cash equivalent of \$93.2m to weather prevailing uncertainties
- Other current assets were lower by \$5.7m as trade receivables fell in line with lower revenues
- Non-current assets increased by \$8.2m mainly from capital projects in progress at the new premises in Bukit Batok

# Cashflow

	2020	2019
	\$'m	\$'m
<b>Cash from Operating Activities</b>	<b>36.7</b>	<b>36.0</b>
<u>Utilisation of Cash:</u>		
Dividends to Shareholders and non-controlling interests	(21.7)	(41.1)
CAPEX	(15.0)	(5.4)
Payments under lease liability	(1.4)	(1.1)
Purchase of unquoted equity instruments held at FVTOCI	-	(1.4)
<b>Total Utilisation of Cash</b>	<b>(38.1)</b>	<b>(49.0)</b>
Proceeds from disposal of vehicles, premises and equipment	-	0.1
Interest Received	1.7	1.7
<b>Net Cash Generated</b>	<b>0.3</b>	<b>(11.2)</b>

## CAPEX 2020 vs 2019



- CAPEX ↑ \$9.6m
- Progressive payments of \$12.9m for capital projects at the new premises in Bukit Batok offset by decrease of \$3.3m in CAPEX for equipment and others
- The decrease of \$3.3m in CAPEX for equipment and others was due to deferment of non-essential CAPEX in order to conserve cash

# Financial Summary

## Financial Performance

- The 2020 results were impacted by the effects of COVID-19. Group PATMI at \$24.5m fell \$3.9m or 13.7% against 2019.
- Government reliefs of \$7.7m
- Excluding the Government reliefs, the Group suffered a loss in 2Q 2020 but has returned to profitability in 3Q & 4Q 2020

## Financial Position

- Strong and resilient balance sheet
- Cash balance of \$93.2m to weather prevailing uncertainties

## Cash Flow

- Conserved cash by deferring non-essential CAPEX & lower dividend payout
- Net cash generated of \$0.3m in 2020

# **DIVIDEND PAYOUT AND SHAREHOLDER RETURN**

# Financial Year 2020 Dividend Payout

	2020	2019*	Inc/(Dec)	
	cents	cents	cents	%
Earnings Per Share (EPS)	6.91	8.01	(1.10)	(13.7)
Interim Dividend	-	3.53	(3.53)	(100.0)
<b>Final Dividend</b>	<b>6.22</b>	<b>6.07</b>	<b>0.15</b>	<b>2.5</b>
Total	6.22	9.60	(3.38)	(35.2)
Dividend Payout Ratio	90.0%	120.0%		
Dividend Yield	2.9% <sup>(a)</sup>	5.0% <sup>(b)</sup>		

a) VICOM share price of \$2.16 as at 31 December 2020

b) VICOM share price of \$1.93\* as at 31 December 2019

\* Adjusted for the increase in the number of shares resulting from the share split on 12 June 2020

**THANK YOU**