



VENTURE REPORTS 3Q 2019 NET PROFIT OF S\$85.2 MILLION ON REVENUE OF S\$869.1 MILLION

BALANCE SHEET REMAINS STRONG

SINGAPORE, 8 NOVEMBER 2019 – Venture Corporation Limited recorded revenue of S\$869.1 million and net profit of S\$85.2 million for the quarter ended 30 September 2019. For the nine months ended 30 September 2019, the Group reported revenue of S\$2,701.4 million and net profit of S\$266.9 million.

RESULTS HIGHLIGHTS



FINANCIAL PERFORMANCE

- ✓ 3Q 2019 net profit of S\$85.2 million on revenue of S\$869.1 million, translating to net profit margin of 9.8%.
- ✓ 9M 2019 net profit of S\$266.9 million on revenue of S\$2,701.4 million, translating to net profit margin of 9.9%.
- ✓ Earnings per share improved to 29.1 Singapore cents in 3Q 2019 and 92.0 Singapore cents in 9M 2019.



FINANCIAL POSITION & CASH FLOW

- ✓ Net cash position of S\$802.4 million as at 30 September 2019.
- ✓ Free cash flow of S\$337.7 million generated in 9M 2019.
- ✓ Net asset value per share of S\$8.42 as at 30 September 2019.

FINANCIAL PERFORMANCE

For the quarter ended 30 September 2019, the Group registered revenue of S\$869.1 million (+12.8% YoY). For the nine months ended 30 September 2019, the Group recorded revenue of S\$2,701.4 million (+4.8% YoY). Amidst headwinds from geopolitical tensions, the Group had been well positioned to capture growth from selected ecosystems through its differentiated value creation pathways.

The Group recorded profit before tax (PBT) of S\$98.6 million for 3Q 2019 (+4.1% YoY) and S\$310.2 million (+0.5% YoY) for 9M 2019. Income tax expense of the Group was S\$13.2 million for 3Q 2019 and S\$43.1 million for 9M 2019 which include adjustments for tax overprovision in prior years. Net profit (profit attributable to owners of the Company) was S\$85.2 million (+5.5% YoY) for 3Q 2019 and S\$266.9 million (+1.7% YoY) for 9M 2019. Notwithstanding competition and pricing pressure, the Group's continued initiatives to drive productivity gains and operational efficiency kept net margin healthy at 9.8% for 3Q 2019 and 9.9% for 9M 2019.

Diluted Earnings Per Share for the reported quarter improved to 29.1 cents (3Q 2018: 27.8 cents) and 92.0 cents for 9M 2019 (9M 2018: 90.2 cents).

FINANCIAL POSITION AND CASH FLOW

The Group generated operating cash flow of S\$106.4 million before working capital changes for 3Q 2019 (3Q 2018: S\$100.3 million). For 9M 2019, operating profit before working capital changes amounted to S\$329.7 million (9M 2018: S\$326.4 million). For the quarter ended 30 September 2019, the Group working capital position remained relatively stable with improvement registered for inventory balances offset by higher receivables in tandem with revenue. For the nine months ended 30 September 2019, cash generated from operations improved 33.2% to S\$368.9 million (9M 2018: S\$276.9 million).

As of 30 September 2019, the Group recorded S\$803.6 million of cash and bank balances (S\$712.8 million as at 31 Dec 2018). During the quarter, the Group paid an interim tax-exempt dividend of 20 cents per ordinary share amounting to S\$57.7 million (3Q 2018: S\$57.6 million). As at the end of the reported quarter, the Group net cash position registered record level at S\$802.4 million (S\$711.0 million as at 31 Dec 2018) underpinned by strong operating cashflow and judicious working capital management.

As at 30 September 2019, Equity attributable to owners of the Company was S\$2,427.2 million (S\$2,349.9 million as at 31 Dec 2018) and Net Asset Value per share was S\$8.42 (S\$8.16 as at 31 Dec 2018).

OUTLOOK

In 3Q 2019, Venture delivered a creditable set of results. Revenue and profit have improved year-on-year amidst the US/China trade and tariff war, Brexit, currency volatility and other headwinds.

Over the next 12 months, some uncertainties in the business and geopolitical environment may remain unabated. Venture continues to see some hastened efforts to shift supply chain flows by OEMs for tariff mitigation. The Group does take advantage of these shifts to render support to its partners.

Venture will be supporting several partners in their new and key product launches over the next 12 months. More importantly, the Group expects to see traction in its entries into new technology domains and ecosystems. Venture is ebullient as to what new opportunities may portend in the future. The Group will continue to invest into growing and expanding its differentiating capabilities in selected technology domains and new ecosystems through multilateral partnerships globally.

There will be enhanced focus to bring Venture's globally linked Clusters of Excellence to greater heights over the next few years.

Submitted by Devika Rani Davar, Company Secretary, on 8 November 2019 to the Singapore Exchange Securities Trading Limited.

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

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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.