



2Q/1H 2020 Results Presentation

7 August 2020

- ▼ 2Q 2020 net profit¹ of S\$70.2 million on revenue of S\$692.7 million, translating to net margin of 10.1%.
 - ▼ Sequentially, 2Q 2020 net profit grew 16.4%.
- ▼ 1H 2020 net profit of S\$130.5 million on revenue of S\$1,365.7 million, translating to net margin of 9.6%.
- ▼ Earnings per share² of 44.9 Singapore cents in 1H 2020.
- ▼ Net cash position of S\$833.0 million as at 30 June 2020.
- ▼ Free cash flow of S\$265.7 million generated in 1H 2020.
- ▼ Net asset value per share of S\$8.76 as at 30 June 2020.
- ▼ Interim dividend of S\$0.25 per share declared.

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

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



FINANCIAL PERFORMANCE REVIEW

2Q 2020 Results – QoQ Comparison



(S\$m)	2Q 2020	1Q 2020	%
Revenue	692.7	673.0	2.9
Profit before tax	81.2	69.9	16.1
PBT Margin (%)	11.7	10.4	
Income tax expense	(11.0)	(9.6)	14.7
Effective Tax Rate (%)	13.5	13.7	
Net profit	70.2	60.3	16.4
Net Margin (%)	10.1	9.0	
EPS (cents)	24.2	20.8	16.3

- While Covid-19 lockdown measures restricted the Group's manufacturing activities in April, Venture rebounded swiftly in May and June to achieve a sequential recovery in 2Q 2020.
- The Group reported higher net margin QoQ driven by positive changes in product and business mix.

2020 Sequential Quarters Summary



(S\$m)	1Q 2020	2Q 2020	1H 2020
Revenue	673.0	692.7	1,365.7
Profit before tax	69.9	81.2	151.1
PBT Margin (%)	10.4	11.7	11.1
Income tax expense	(9.6)	(11.0)	(20.5)
Effective Tax Rate (%)	13.7	13.5	13.6
Net profit	60.3	70.2	130.5
Net Margin (%)	9.0	10.1	9.6
EPS (cents)	20.8	24.2	44.9

1H 2020 Results – YoY Comparison



(S\$m)	1H 2020	1H 2019	%
Revenue	1,365.7	1,832.2	(25.5)
Profit before tax	151.1	211.6	(28.6)
PBT Margin (%)	11.1	11.5	
Income tax expense	(20.5)	(29.8)	(31.3)
Effective Tax Rate (%)	13.6	14.1	
Net profit	130.5	181.7	(28.2)
Net Margin (%)	9.6	9.9	
EPS (cents)	44.9	62.9	(28.6)



FINANCIAL POSITION AND CASH FLOW

Balance Sheet Summary



(S\$m)	30 June 2020	31 December 2019
Cash & Bank Balances	834.1	714.5
Net Current Assets	1,632.6	1,590.0
Net Non-current Assets	902.4	908.6
Total Net Assets	2,535.0	2,498.6
Accumulated Profits	1,760.0	1,774.6
Share Capital & Reserves	772.5	721.6
Non-Controlling Interests	2.5	2.4
Total Equity	2,535.0	2,498.6
Net Asset Value per Share	S\$8.76	S\$8.65

Comparison of Net Cash Position

(S\$m)	30 June 2020	31 December 2019	30 June 2019
Cash & Bank Balances	834.1	714.5	761.8
Total Loans	(1.1)	(1.1)	(1.6)
Net Cash	833.0	713.4	760.2

- ▮ The Group continues to maintain a healthy net cash position of S\$833.0 million as at 30 June 2020.
- ▮ Net cash increased by S\$72.8 million (+9.6%) year-on-year, supported by the Group's strong cash flow from operations.

Comparison of Working Capital

(S\$m)	30 June 2020	31 December 2019	30 June 2019
Trade Receivables	624.8	898.9	691.9
Trade Payables	(416.7)	(490.3)	(475.4)
AR – AP	208.1	408.6	216.5
Inventories	798.6	706.2	749.7
Working Capital	1,006.8	1,114.7	966.2

- Working Capital position kept to a relatively similar level year-on-year.
- The Group continues to hold adequate Inventories to enable delivery of continuous reliable support for customers' programmes.

Comparison of Free Cash Flow

(S\$m)	1H 2020	1H 2019
Operating profit before working capital changes	167.6	223.3
Cash generated from operations	271.3	235.6
<u>Less</u> Capex	(5.6)	(15.4)
Free cash flow	265.7	220.2

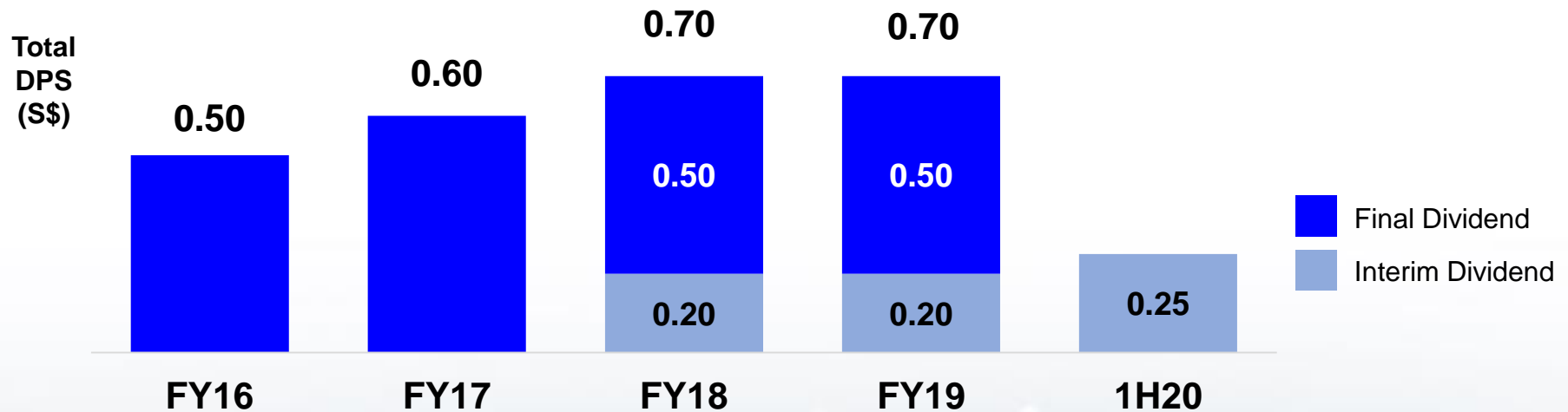
- ❖ Cash generated from operations improved by S\$35.6 million (+15.1%) year-on-year.
- ❖ Free cash flow increased by S\$45.5 million (+20.6%) year-on-year, mainly from stronger cash generation from operations.



**DECLARED
INTERIM
DIVIDEND**

Key Dates

- ❖ Book Closure Date: 5pm, 7 September 2020
- ❖ Payment Date: 18 September 2020



- ❖ The Board of Directors has declared an interim dividend of S\$0.25 per share on a one-tier tax-exempt basis, compared to 1H 2019 interim dividend of S\$0.20 per share.
- ❖ Although the Group does not have a formal dividend policy, it has consistently strived to pay dividends on par or more than the previous year.



OUTLOOK



Venture's sequential recovery in 2Q 2020 was enabled by the effective teamwork, resourcefulness and resiliency of its people. The teams received deep appreciation from several customers and partners, with one of them lauding Venture as their "Heroes in Production". Over the past few months, Venture's dedicated taskforces worked unstintingly in their daily executions, in collaboration with a strong supportive network of customers, partners, business associations and government authorities to sustain operational excellence. Through this combined effort, Venture overcame the challenges precipitated by Covid-19 pandemic to deliver on its commitments to its customers and partners.

Venture's consistent and reliable support is critical for its customers who continue to see sustained demand for their essential products and services. These customers are largely from the Life Science, Medical Devices & Equipment, Networking & Communications and Semiconductor-related Equipment domains. With the gradual reopening of some economies since late April 2020, the Group is also working conscientiously to fulfil its customers' orders from the other technology domains serving non-essential end markets. The steady recovery seen in 2Q 2020 is expected to continue into the second half of this year. Venture's R&D labs have plans to subsequently release a number of newly developed products into manufacturing commencing early 2021.

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

