



2Q/1H 2019 Results Presentation

8 August 2019



FINANCIAL PERFORMANCE

- ▼ 2Q 2019 net profit¹ of S\$90.8 million on revenue of S\$903.5 million, translating to net profit margin of 10.1%.
- ▼ 1H 2019 net profit of S\$181.7 million on revenue of S\$1,832.2 million, translating to net profit margin of 9.9%.
- ▼ Declared interim dividend of S\$0.20 per share



FINANCIAL POSITION & CASH FLOW

- ▼ Net cash position of S\$760.2 million as at 30 June 2019.
- ▼ Free cash flow of S\$220.2 million generated in 1H 2019.
- ▼ Net asset value per share of S\$8.26 as at 30 June 2019.



FINANCIAL PERFORMANCE REVIEW

2Q 2019 Results Summary

(S\$m)	2Q 2019
Revenue	903.5
Profit before tax	105.4
PBT Margin (%)	11.7
Income tax expense	(14.5)
Effective Tax Rate (%)	13.7
Net profit	90.8
Net Margin (%)	10.1
EPS (cents)¹	31.4

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

2Q 2019 Results – YoY Comparison



(S\$m)	2Q 2019	2Q 2018	%
Revenue	903.5	952.3	(5.1)
Profit before tax	105.4	115.2	(8.5)
PBT Margin (%)	11.7	12.1	
Income tax expense	(14.5)	(17.3)	(16.1)
Effective Tax Rate (%)	13.7	15.0	
Net profit	90.8	97.9	(7.3)
Net Margin (%)	10.1	10.3	
EPS (cents)	31.4	33.6	(6.5)

2019 Sequential Results Summary

(S\$m)	1Q 2019	2Q 2019	1H 2019
Revenue	928.8	903.5	1,832.2
Profit before tax	106.2	105.4	211.6
PBT Margin (%)	11.4	11.7	11.5
Income tax expense	(15.4)	(14.5)	(29.8)
Effective Tax Rate (%)	14.5	13.7	14.1
Profit attributable to owners	90.9	90.8	181.7
Net Profit Margin (%)	9.8	10.1	9.9
EPS (cents)	31.5	31.4	62.9

1H 2019 Results – YoY Comparison



(S\$m)	1H 2019	1H 2018	%
Revenue	1,832.2	1,808.3	1.3
Profit before tax	211.6	213.8	(1.0)
PBT Margin (%)	11.5	11.8	
Income tax expense	(29.8)	(32.2)	(7.2)
Effective Tax Rate (%)	14.1	15.0	
Net profit	181.7	181.6	0.1
Net Margin (%)	9.9	10.0	
EPS (cents)	62.9	62.4	0.8



--- **FINANCIAL POSITION AND CASH FLOW**

Balance Sheet Summary

(S\$m)	30 June 2019	31 December 2018
Cash & Bank Balances	761.8	712.8
Net Current Assets	1,480.8	1,455.7
Net Non-current Assets	901.7	896.4
Total Net Assets	2,382.5	2,352.1
Accumulated Profits	1,650.7	1,613.3
Share Capital & Reserves	729.5	736.6
Non-Controlling Interests	2.3	2.2
Total Equity	2,382.5	2,352.1
Net Asset Value per Share	S\$8.26	S\$8.16


Comparison of Net Cash Position


(S\$m)	30 June 2019	31 December 2018	30 June 2018
Cash & Bank Balances	761.8	712.8	688.6
Total Loans	(1.6)	(1.8)	(41.7)
Net Cash	760.2	711.0	646.9

- Group net cash position remained strong at S\$760.2 million after final dividend payment of S\$144.0 million in May 2019.
- Year-on year, net cash increased by S\$113.3 million (+17.5%) on strong operating cash flow.

Comparison of Working Capital

(S\$m)	30 June 2019	31 December 2018	30 June 2018
Trade Receivables	691.9	735.9	715.8
Trade Payables	(475.4)	(529.0)	(518.4)
AR – AP	216.5	206.9	197.4
Inventories	749.7	808.2	727.2
Working Capital	966.2	1,015.1	924.5

 The Group continues to monitor and manage its Working Capital position closely.

 As at 30 June 2019, Working Capital was at S\$966.2 million, including S\$749.7 million of Inventories to support customers' programmes.

Comparison of Free Cash Flow

(S\$m)	1H 2019	1H 2018
Operating profit before working capital changes	223.3	226.0
Cash generated from operations	235.6	156.7
<u>Less</u> Capex	(15.4)	(48.1)
Free cash flow	220.2	108.6

- Capital expenditure in 1H 2018 included the acquisition of a freehold property in Milpitas, California, USA for S\$38.4 million.
- Free cash flow increased by S\$111.6 million year-on-year, mainly from stronger cash generation from operations.



DECLARED INTERIM DIVIDEND

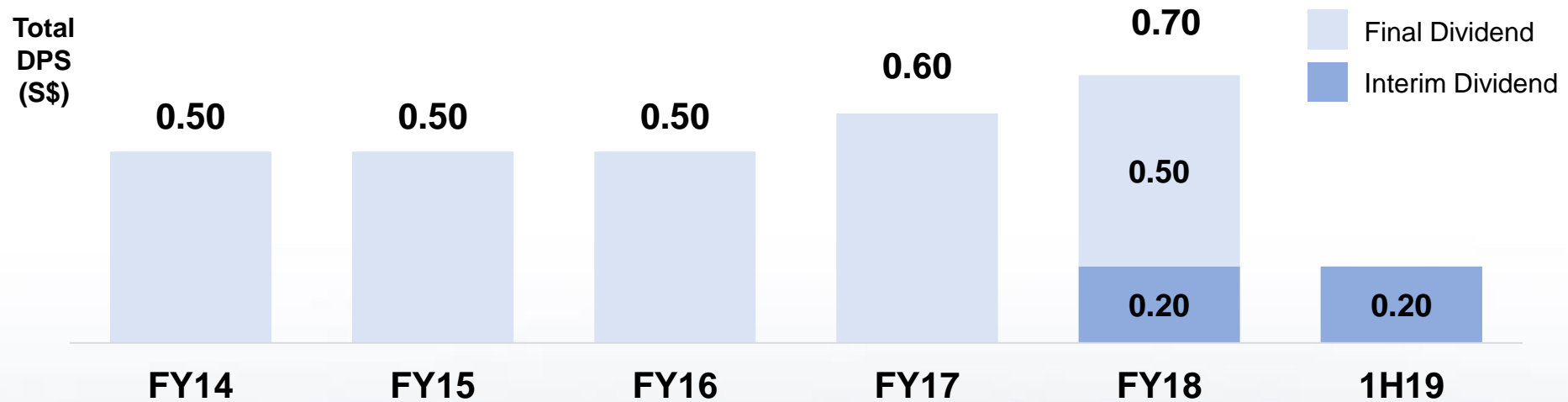
Interim Dividend of S\$0.20 per share



Key Dates

Book Closure Date: 5pm, 6 September 2019

Payment Date: 19 September 2019



The Board of Directors has declared an interim dividend of S\$0.20 per share on a one-tier tax-exempt basis.

Venture has paid out over S\$2.3 billion in dividends since its first dividend payment of S\$0.0075 for FY 1992.



OUTLOOK

The outlook continues to be shrouded by escalating geopolitical tensions and the prolonged trade war, which has adversely impacted the global economy and world trade. Venture anticipates the volatile environment to persist, but the Group has in place several initiatives to help it navigate this dynamic environment.

Venture will continue to diversify its value creation/value capture pathways in the multiple ecosystems it participates in. Focus will be on selected domains that have growth and value creation opportunities. Strong emphasis will be placed on building new differentiating capabilities to enhance the Group's competitiveness. And with its strong financial resources, Venture is well placed to capture growth opportunities as and when they arise. Amidst the headwinds, Venture will remain vigilant, agile to adapt and relentless in its pursuit of excellence.

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