



VENTURE CORPORATION LIMITED
(CO REG. NO. 198402886H)

FOR THE QUARTER ENDED 30 JUNE 2017
VENTURE REPORTS NET PROFIT OF S\$69.8 MILLION, UP 61% YoY

REVENUE ROSE ABOVE S\$1.0 BILLION

SINGAPORE, 4 AUGUST 2017 – In the second quarter of 2017, Venture Corporation Limited registered a 61% jump in net profit to S\$69.8 million. This improvement in profitability is made possible through high value creation and capture underpinned by Venture’s deep engineering bench strength and operational excellence. For the six months ended 30 June 2017, net profit improved by 49.5% to S\$118.4 million. Revenue for the reported quarter rose above S\$1.0 billion, up 48.3% year-on-year.

FINANCIAL PERFORMANCE

For the quarter ended 30 June 2017, the Group registered revenue of S\$1.01 billion, an increase of 48.3% year-on-year. For the six months ended 30 June 2017, revenue improved by 41.3% year-on-year to S\$1.9 billion. Revenue improvement for the reported quarter and for the first half of 2017 is underpinned by the Group’s diversified customer base and continuing strong execution of customers’ programmes launched in prior quarters.

S\$'million	2Q17	2Q16	%	6M ended 30.06.17	6M ended 30.06.16	%
Revenue	1,013.1	683.3	48.3	1,856.2	1,314.0	41.3
PBT	84.5	51.6	63.7	144.5	94.1	53.6
PBT Margin (%)	8.3%	7.6%		7.8%	7.2%	
Profit Attributable to owners	69.8	43.4	61.0	118.4	79.2	49.5
Net Margin (%)	6.9%	6.4%		6.4%	6.0%	
Fully Diluted EPS (cents)	24.4	15.6		41.6	28.5	

In tandem with the revenue growth, the Group recorded profit before tax (PBT) of S\$84.5 million for the quarter ended 30 June 2017, an increase of 63.7% year-on-year. For the first half of 2017, the Group recorded PBT of S\$144.5 million, an increase of 53.6% year-on-year. In line with the higher PBT and based on tax incentives granted to its subsidiaries, the Group reported income tax expense of S\$14.7 million for the reported quarter and S\$26.1 million for the first half of 2017.

Net profit rose 61% year-on-year to S\$69.8 million for the reported quarter. For the six months ended 30 June 2017, net profit rose 49.5% year-on-year to S\$118.4 million. The Group registered net margin of 6.9% for the reported quarter (2Q 2016: 6.4%) and 6.4% for the first half of 2017 (1H 2016: 6.0%).

Diluted Earnings Per Share for the reported quarter was 24.4 cents (2Q 2016: 15.6 cents) and 41.6 cents for the first half of 2017 (1H 2016: 28.5 cents).

FINANCIAL POSITION AND CASHFLOW

The Group generated operating cash flow of S\$92.1 million before working capital changes for the quarter ended 30 June 2017 (2Q 2016: S\$60.7 million). For the six months ended 30 June 2017, operating profit before working capital changes amounted to S\$162.4 million (1H 2016: S\$116.2 million). For the quarter ended 30 June 2017, the Group registered an increase in working capital position largely due to trade receivables and inventories balances. Trade receivables balance stood at S\$808.8 million in tandem with the revenue recorded for the reported quarter. The increase in inventories was primarily to support customers' requirements and programmes.

For the six months ended 30 June 2017, the Group generated cash from operations of S\$121.4 million (1H 2016: S\$141.0 million).

As of 30 June 2017, the Group had S\$441.7 million of cash and bank balances (S\$499.7 million as at 31 December 2016). During the quarter, the Group paid a final tax-exempt dividend of 50 cents per ordinary share amounting to S\$140.7 million (2Q 2016: S\$138.4 million). As at the end of the reported quarter, the Group remained net cash positive at S\$366.5 million (S\$407.1 million as at 31 December 2016).

As at 30 June 2017, Equity attributable to owners of the Company was S\$1.9 billion (S\$2.0 billion as at 31 December 2016) and Net Asset Value per share was S\$6.81 (S\$7.03 as at 31 December 2016) after payment of dividend.

OUTLOOK

Venture continues to make progress across its strategic and operational initiatives. Through its unique TCS management practice, Venture has deepened its alliances and partnerships for value creation with leaders in technology ecosystems of interests. It has also enabled the Group to forge new collaborative alliances culminating in new programmes and to capture additional opportunities across its diversified customer base. Venture has also been able to seize new opportunities in several fast-growing adjacent ecosystems.

The dynamics of the business environment such as geopolitical tensions and customers' consolidations may introduce some degree of uncertainty. However Venture remains fully committed to provide strong value creation for the success of its business alliances and partnerships. This is accomplished through growing a critical mass of high quality talents in management, engineering and other professionals. Venture will harness the collective strength and synergy of its human capital to relentlessly create compelling differentiation, advancing Venture's position as a leading global provider of technology solutions, products and services.

Submitted by Angeline Khoo Cheng Nee, Company Secretary, on 4 August 2017 to the Singapore Exchange Securities Trading Limited.

This press release is also available at www.venture.com.sg.

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BACKGROUND

About Venture (www.venture.com.sg)

Venture Corporation Limited (“**Venture**” or the “**Group**”) was founded in 1984 as a global electronics services provider. Today, it is a leading global provider of technology services, products and solutions 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 range of high-mix, high-value and complex products.

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 domain expertise in printing and imaging; networking and communications devices; handheld interactive scanning and computing products; advanced storage systems and devices; financial-related equipment and technology; Industrial, power and energy-related products; test and measurement equipment and instrumentation; medical and healthcare devices and life science equipment. The Group manages a portfolio of more than 5,000 products and solutions and continues to expand into new product categories through its collaboration with existing and new customers.

In its pursuit to create unparalleled enterprise excellence across design and engineering, manufacturing and distribution, Venture has forged numerous meaningful partnerships and alliances. As it assumes a key role in the enterprise chain, Venture will continue to tap the knowledge and best-in-class capabilities of global enterprises for breakthrough innovations.

Venture is a strategic partner of choice of over 100 global companies including Fortune 500 corporations and ranks among the best in managing the value chain for leading electronics companies. It is committed to enhancing its competencies through further investments in technologies, market access capabilities and its people. It stands poised, to provide the leading edge and remain relevant in a constantly changing and evolving world.