



**VENTURE REPORTS NET PROFIT OF S\$80.8 MILLION IN 3Q 2018  
ON REVENUE OF S\$770.4 MILLION**

**9M 2018 NET PROFIT OF S\$262.4 MILLION  
ON REVENUE OF S\$2,578.7 MILLION**

**SINGAPORE, 2 NOVEMBER 2018** –Venture Corporation Limited recorded revenue of S\$770.4 million and net profit of S\$80.8 million for the quarter ended 30 September 2018.

**FINANCIAL PERFORMANCE**

For the quarter ended 30 September 2018, the Group registered revenue of S\$770.4 million, a decrease of 27.4% year-on-year. The decline in 3Q 2018 revenue was mainly attributable to the impact arising from customers’ planned transition to new replacement products and some customers’ M&A activities for the reported quarter.

In tandem with the lower revenue, the Group recorded profit before tax (PBT) of S\$94.7 million for 3Q 2018, a decrease of 27.9% year-on-year. Net profit (profit attributable to owners of the Company) decreased 27.5% year-on-year to S\$80.8 million for 3Q 2018. This translates to net margin of 10.5% for 3Q 2018, on par with the corresponding quarter last year (3Q 2017: 10.5%). Diluted Earnings Per Share was 27.8 cents (3Q 2017: 38.9 cents).

<b>S\$'million</b>	<b>3Q 2018</b>	<b>3Q 2017</b>	<b>% change</b>	<b>9M 2018</b>	<b>9M2017</b>	<b>% change</b>
Revenue	770.4	1,061.9	(27.4)	2,578.7	2,918.1	(11.6)
Profit Before Tax	94.7	131.3	(27.9)	308.5	275.8	11.9
PBT Margin (%)	12.3%	12.4%		12.0%	9.5%	
Profit Attributable to owners	80.8	111.4	(27.5)	262.4	229.8	14.2
Net Margin (%)	10.5%	10.5%		10.2%	7.9%	
Fully Diluted EPS (cents)	27.8	38.9	(28.5)	90.2	80.5	12.0

For the nine months ended 30 September 2018, revenue decreased by 11.6% year-on-year to S\$2,578.7 million. The Group recorded PBT of S\$308.5 million, an increase of 11.9% year-on-year. In line with PBT, the Group reported income tax expense of S\$46.1 million. Cumulatively, net profit for 9M 2018 rose 14.2% year-on-year to S\$262.4 million. The Group registered net margin of 10.2% for the first nine months of 2018 (9M 2017: 7.9%). The improved net margin reflects the Group's ability to deliver deep value creation, continuous drive for operational excellence and manage an efficient operating model. Diluted Earnings Per Share was 90.2 cents (9M 2017: 80.5 cents).

## **FINANCIAL POSITION AND CASHFLOW**

The Group generated operating cash flow of S\$100.3 million before working capital changes for 3Q 2018 (3Q 2017: S\$153.5 million). For 9M 2018, operating profit before working capital changes amounted to S\$326.4 million (9M 2017: S\$315.9 million). For the quarter ended 30 September 2018, the Group registered an increase in working capital position largely due to inventories balances. The increase in inventories was primarily to provide assurance of supply to support customers' programmes and to alleviate current constraints arising from shifting and disruption of global supply chain. For the nine months ended 30 September 2018, the Group generated cash from operations of S\$276.9 million (9M 2017: S\$308.6 million).

As of 30 September 2018, the Group had S\$740.3 million of cash and bank balances (S\$752.4 million as at 31 December 2017). During the quarter, the Group paid an interim tax-exempt dividend of 20 cents per ordinary share amounting to S\$57.6 million (3Q 2017: NIL). Including the final tax-exempt dividend of 60 cents per share amounting to S\$172.4 million paid in 2Q 2018, the Group paid combined dividends totalling S\$230.0 million. As at the end of the reported quarter, the Group net cash position remained strong at S\$697.9 million (S\$721.6 million as at 31 December 2017).

As at 30 September 2018, Equity attributable to owners of the Company was S\$2,247.0 million (S\$2,165.8 million as at 31 December 2017) and Net Asset Value per share was S\$7.80 (S\$7.61 as at 31 December 2017).

## **OUTLOOK**

Venture takes pride in its ability to create impactful value for its customers, through its innovative R&D capabilities, transformational engineering and operational excellence. The Group anticipates that new product introductions from several customers are expected to drive healthy revenue improvement sequentially in the next quarter. As Venture continues to deepen its existing collaborative partnerships, it is concurrently working on broadening its strategic alliances across its diversified portfolio of new and adjacent ecosystems. The Group also expects to capture revenue contribution from several new customers in the next quarter, with improving

traction in subsequent reporting periods. Furthermore, customers' M&A transitions are still in progress and the Group believes that business momentum should pick up again after the M&A integration processes are completed.

While current trade tariffs have no material impact on the Group's business at this moment, the Group is cognizant that a major escalation of the trade war may lead to new macroeconomic risks.

The Venture Group is well-positioned to strengthen and develop its Clusters of Excellence, differentiated strategies and diverse competencies to capture new opportunities arising from the everchanging business environment. In addition, growth drivers across Venture's broad-based portfolio of technology domains and strong supply chain management will provide resilience and stability to its long-term performance.

Submitted by Angeline Khoo Cheng Nee, Company Secretary, on 2 November 2018 to the Singapore Exchange Securities Trading Limited.

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

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## **BACKGROUND**

### **About Venture** ([www.venture.com.sg](http://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 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 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, 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.