



One Venture
Infinite
Possibilities

4Q 2018 / FY2018 RESULTS ANNOUNCEMENT

FINANCIAL PERFORMANCE REVIEW



Financial Results Highlights



- ✓ FY2018 Revenue of **S\$3,484.6 million**
- ✓ FY2018 Net Profit of **S\$370.1 million**
- ✓ FY2018 Net Profit Margin of **10.6%**



- ✓ Strong net cash position of **S\$711.0 million**
- ✓ Shareholders' equity grew to **S\$2,349.9 million**
- ✓ Net Asset Value per share improved to **S\$8.16**



- ✓ Proposed final dividend of **50 cents per share** ¹
- ✓ Brings FY2018 total dividend to **70 cents per share**
- ✓ An increase of **16.7% from the previous year**

1. Subject to shareholders' approval at the upcoming AGM in April 2019

4Q 2018 Results Summary



(S\$m)	4Q 2018
Revenue	905.9
Profit before tax	124.5
PBT Margin (%)	13.7
Income tax expense	(16.8)
Effective Tax Rate (%)	13.5
Net profit ¹	107.7
Net Margin (%)	11.9
EPS (cents) ²	37.1

FY2018 Results Summary



(S\$m)	FY2018	1Q 2018	2Q 2018	3Q 2018	4Q 2018
Revenue	3,484.6	856.0	952.3	770.4	905.9
Profit before tax	433.0	98.6	115.2	94.7	124.5
PBT Margin (%)	12.4	11.5	12.1	12.3	13.7
Income tax expense	(62.9)	(14.9)	(17.3)	(13.9)	(16.8)
Effective Tax Rate (%)	14.5	15.1	15.0	14.7	13.5
Net profit	370.1	83.7	97.9	80.8	107.7
Net Margin (%)	10.6	9.8	10.3	10.5	11.9
EPS (cents)	127.3	28.8	33.6	27.8	37.1

FY2018 Results Summary - YoY Comparison

(S\$m)	FY2018	FY2017	%
Revenue	3,484.6	4,004.5	(13.0)
Profit before tax ¹	433.0	443.7	(2.4)
PBT Margin (%)	12.4	11.1	
Income tax expense	(62.9)	(71.0)	(11.5)
Effective Tax Rate (%)	14.5	16.0	
Net profit ¹	370.1	372.8	(0.7)
Net Margin (%)	10.6	9.3	
Profit before tax (before one-off gain)	433.0	432.4	0.1
PBT Margin before one-off gain (%)	12.4	10.8	
Income tax expense	(62.9)	(71.0)	(11.5)
Net profit (before one-off gain)	370.1	361.5	2.4
Net Margin before one-off gain (%)	10.6	9.0	
EPS (cents) ¹	127.3	130.0	(2.1)

1. FY2017 includes gain from the disposal of an investment in associate.

4Q 2018 Results Summary - YoY Comparison

(S\$m)	4Q 2018	4Q 2017	%
Revenue	905.9	1,086.5	(16.6)
Profit before tax ¹	124.5	168.0	(25.9)
PBT Margin (%)	13.7	15.5	
Income tax expense	(16.8)	(25.0)	(32.8)
Effective Tax Rate (%)	13.5	14.9	
Net profit ¹	107.7	143.0	(24.7)
Net Margin (%)	11.9	13.2	
Profit before tax (before one-off gain)	124.5	156.6	(20.5)
PBT Margin before one-off gain (%)	13.7	14.4	
Income tax expense	(16.8)	(25.0)	(32.8)
Net profit (before one-off gain)	107.7	131.6	(18.2)
Net Margin before one-off gain (%)	11.9	12.1	
EPS (cents) ¹	37.1	49.5	(25.1)

1. 4Q 2017 includes gain from the disposal of an investment in associate.

FINANCIAL POSITION & CASHFLOW AS AT 31 DEC 2018



Balance Sheet Summary



(S\$m)	As at 31.12.18	As at 31.12.17 (Restated)¹
Cash & Bank Balances	712.8	752.4
Net Current Assets	1,455.7	1,301.7
Net Non-current Assets	896.4	866.3
Total Net Assets	2,352.1	2,168.1
Accumulated Profits	1,613.3	1,473.5
Share Capital & Reserves	736.6	692.3
Non-Controlling Interests	2.2	2.3
Total Equity	2,352.1	2,168.1
NAV	S\$8.16	S\$7.61

1. Arising from the initial adoption of SFRS(I) effective 1 January 2018, the Group elected to reset the foreign translation reserve. Cumulative debit balance of S\$144.4 million was transferred to accumulated profits as at 1 January 2017.

Comparison of Net Cash Position



(S\$m)	As at 31.12.18	As at 31.12.17
Cash & Bank Balances	712.8	752.4
Total Loans	(1.8)	(30.8)
Net Cash	711.0	721.6

- ▼ Group net cash position remained strong at S\$711.0 million, despite an increase of S\$89.3 million in dividends paid in 2018.
- ▼ This includes a first-ever interim dividend payment of S\$57.6 million in September 2018.

Comparison of Working Capital



(S\$'m)	As at 31.12.18	As at 31.12.17 (Restated)
Trade Receivables	735.9	762.6
Trade Payables	(529.0)	(581.4)
AR – AP	206.9	181.2
Inventories	808.2	699.6
Working Capital	1,015.1	880.9

 The Group monitors its Working Capital position closely, to ensure delivery of continuous reliable support for customers' programmes.

Comparison of Free Cash Flow



(S\$m)	FY2018	FY2017
Operating profit before working capital changes	458.9	486.1
Cash generated from operations	311.5	499.9
<u>Less</u> Capex	(58.5)	(37.0)
Free cash flow	253.1	462.9

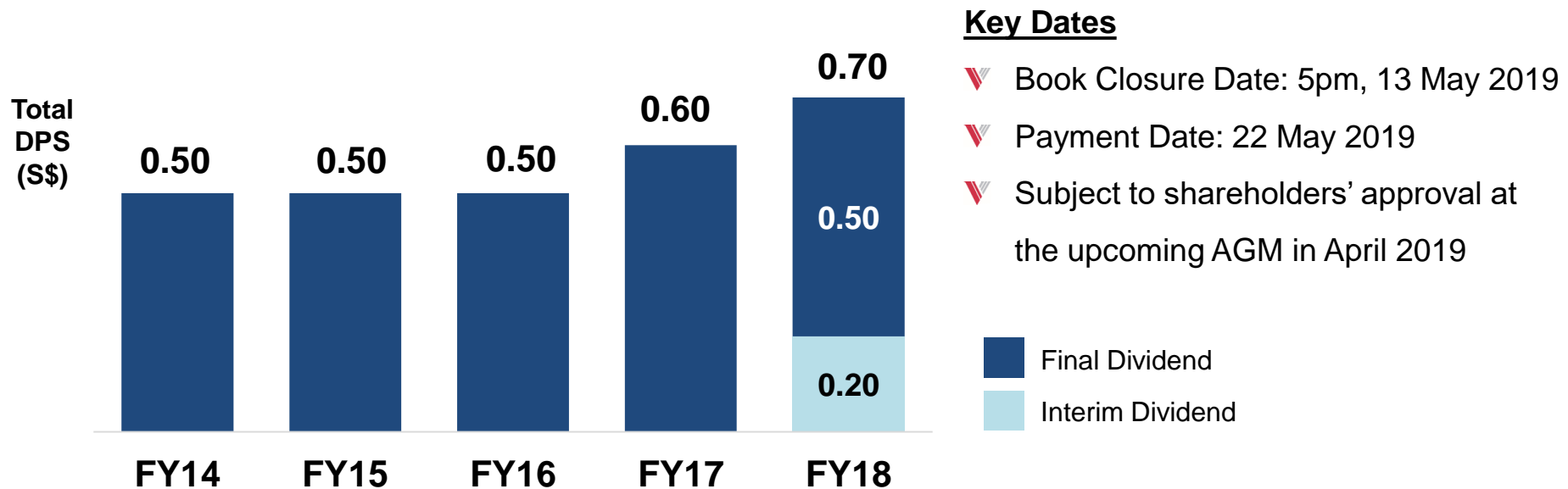
▼ The Group generated operating cash flow of S\$458.9 million before working capital changes.

▼ Capital expenditure in FY2018 mainly comprised the acquisition of a freehold property in Milpitas, California, USA for S\$38.4 million and upkeep of machinery/equipment.

PROPOSED FINAL DIVIDEND



Proposed Final Dividend of 50 cents per share



- ▼ The Board of Directors has recommended a final dividend of 50 cents per share on a one-tier tax-exempt basis
- ▼ This brings total dividend for FY2018 to 70 cents per share, an increase of 16.7% year-on-year, and translating to a dividend yield of 5.0%¹
- ▼ Including the interim dividend payment in FY2018, Venture has paid out approximately S\$2,173 million in dividends since 1992

1. Based on Venture's share price of S\$13.95 as at 31 December 2018.

OUTLOOK



Outlook



Following its sequential revenue growth in 4Q 2018, Venture expects, in 2019, to drive revenue growth from the Group's broad-based portfolio of technology domains, and continued success in new product launches for its partners.

There have been increased interest from businesses looking to relocate production to Southeast Asia due to the US-China trade war. This is expected to present new business opportunities for the Group. Venture remains alert to respond to any development in the global economy that may introduce new uncertainties to the operating environment.

Venture will focus on enhancing its globally linked Clusters of Excellence, in support of its next phase of growth. Leveraging on its new facilities in Milpitas, California, USA, which is strategically located in the Silicon Valley, Venture aims to develop several dynamic ecosystems with its embedded Clusters of Excellence, to serve new markets in selected technology domains in the years ahead. This will broaden the Group's value creation/value capture along multiple pathways to chart its business roadmap for future quality growth.

Caution Concerning Forward-Looking Statements

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

