



## **VENTURE REPORTS 2Q 2019 NET PROFIT OF S\$90.8 MILLION ON REVENUE OF S\$903.5 MILLION**

### **1H 2019 REVENUE AND NET PROFIT HELD STEADY YEAR-ON-YEAR**

### **DECLARED INTERIM DIVIDEND OF S\$0.20 PER SHARE**

**SINGAPORE, 8 AUGUST 2019** – Venture Corporation Limited recorded revenue of S\$903.5 million and net profit of S\$90.8 million for the quarter ended 30 June 2019. For the six months ended 30 June 2019, the Group reported revenue of S\$1,832.2 million and net profit of S\$181.7 million.

## **RESULTS HIGHLIGHTS**



### **FINANCIAL PERFORMANCE**

- ▼ 2Q 2019 net profit 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**

For the quarter ended 30 June 2019, the Group generated revenue of S\$903.5 million (-5.1% YoY). For the six months ended 30 June 2019, the Group recorded revenue of S\$1,832.2 million (+1.3% YoY). Revenue for 1H 2019 held steady as the Group's diversified portfolio of customers provided resilience against headwinds from geopolitical and macroeconomic factors.

The Group recorded profit before tax (PBT) of S\$105.4 million for the quarter ended 30 June 2019 (-8.5% YoY). For 1H 2019, the Group recorded PBT of S\$211.6 million (-1.0% YoY). In line with the PBT, the Group reported income tax expense of S\$14.5 million for 2Q 2019 and S\$29.8 million for 1H 2019. Net profit (profit attributable to owners of the Company) was S\$90.8 million for 2Q 2019 (-7.3% YoY) and for 1H 2019, net profit sustained at S\$181.7 million (+0.1% YoY). This translated to a net margin of 10.1% for 2Q 2019 (2Q 2018: 10.3%) and 9.9% for 1H 2019 (1H 2018: 10.0%). The Group's performance was underpinned by impactful value creation for its partners and relentless focus on operational excellence to drive productivity gains.

Diluted Earnings Per Share for the reported quarter was 31.4 cents (2Q 2018: 33.6 cents) and 62.9 cents for the first half of 2019 (1H 2018: 62.4 cents).

## **FINANCIAL POSITION AND CASH FLOW**

The Group generated operating cash flow of S\$110.4 million before working capital changes for the quarter ended 30 June 2019 (2Q 2018: S\$121.0 million). For the six months ended 30 June 2019, operating profit before working capital changes amounted to S\$223.3 million (1H 2018: S\$226.0 million). For the quarter ended 30 June 2019, the Group registered an improvement in working capital position mainly due to lower inventories balances. For the six months ended 30 June 2019, the Group generated cash from operations of S\$235.6 million (1H 2018: S\$156.7 million).

As of 30 June 2019, the Group had S\$761.8 million of cash and bank balances (S\$712.8 million as at 31 Dec 2018). During the quarter, the Group paid a final tax-exempt dividend of 50 cents per ordinary share amounting to S\$144.0 million (2Q 2018: S\$172.4 million). Notwithstanding the dividend payment, net cash as at 30 June 2019 grew 6.9% to S\$760.2 million (S\$711.0 million as at 31 Dec 2018).

As at 30 June 2019, equity attributable to owners of the Company was S\$2,380.2 million (S\$2,349.9 million as at 31 Dec 2018) and Net Asset Value per share was S\$8.26 (S\$8.16 as at 31 Dec 2018).

## **DECLARED INTERIM DIVIDEND**

The Board of Directors has declared an interim dividend of S\$0.20 per share on a one-tier tax-exempt basis. The interim dividend payment date will be on 19 September 2019.

## **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.

Submitted by Devika Rani Davar, Company Secretary, on 8 August 2019 to the Singapore Exchange Securities Trading Limited.

This press release is also available at [www.venture.com.sg](http://www.venture.com.sg).  
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## **ABOUT VENTURE** ([www.venture.com.sg](http://www.venture.com.sg))

Venture Corporation Limited (“**Venture**” or the “**Group**”) was founded in 1989 as an electronic services provider after the merger of three companies. 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 technology domains.

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 expertise in several technology domains. These include life science, genomics, molecular diagnostics, medical devices and equipment, healthcare and wellness technology, lifestyle consumer technology, health improvement products, instrumentation, test and measurement technology, networking and communications, fintech, as well as computing, printing and imaging technology. The Group manages a portfolio of more than 5,000 products and solutions and continues to expand into new technology domains through its collaborations with customers and partners in selected ecosystems of interest.

Venture is a strategic partner of choice for over 100 global companies including Fortune 500 corporations. It ranks among the best in managing the value chain for leading electronics companies. The Group 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.