



# **4Q / FY2019 Results Presentation**

**27 February 2020**

- ▼ FY2019 net profit<sup>1</sup> of S\$363.1 million on revenue of S\$3,633.4 million, translating to net profit margin of 10.0%.
- ▼ Earnings per share<sup>2</sup> of S\$1.25 in FY2019.
- ▼ Net cash position of S\$713.4 million as at 31 December 2019.
- ▼ Free cash flow of S\$256.7 million generated in FY2019.
- ▼ Net asset value per share of S\$8.65 as at 31 December 2019.
- ▼ Proposed final dividend of S\$0.50 per share<sup>3</sup>, cumulating to FY2019 total dividend per share of S\$0.70<sup>4</sup>.

1. Net profit refers to profit attributable to owners of the Company

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

3. Subject to shareholders' approval at the Annual General Meeting in April 2020

4. Including interim dividend of S\$0.20 paid in September 2019.



# FINANCIAL PERFORMANCE REVIEW

# FY2019 Results – YoY Comparison

(S\$m)	FY2019	FY2018	%
Revenue	3,633.4	3,484.6	4.3
Profit before tax	420.0	433.0	(3.0)
PBT Margin (%)	11.6	12.4	
Income tax expense	(56.6)	(62.9)	(9.9)
Effective Tax Rate (%)	13.5	14.5	
Net profit	363.1	370.1	(1.9)
Net Margin (%)	10.0	10.6	
EPS (cents)	125.3	127.3	(1.6)

# 2019 Sequential Results Summary



(S\$m)	1Q 2019	2Q 2019	3Q 2019	4Q 2019	FY2019
<b>Revenue</b>	928.8	903.5	869.1	<b>932.1</b>	<b>3,633.4</b>
<b>Profit before tax</b>	106.2	105.4	98.6	<b>109.9</b>	<b>420.0</b>
PBT Margin (%)	11.4	11.7	11.3	11.8	11.6
<b>Income tax expense</b>	(15.4)	(14.5)	(13.2)	<b>(13.6)</b>	<b>(56.6)</b>
Effective Tax Rate (%)	14.5	13.7	13.4	12.4	13.5
<b>Net profit</b>	90.9	90.8	85.2	<b>96.3</b>	<b>363.1</b>
Net Profit Margin (%)	9.8	10.1	9.8	10.3	10.0
<b>EPS (cents)</b>	31.5	31.4	29.1	<b>33.3</b>	<b>125.3</b>

# 4Q 2019 Results – YoY Comparison



(S\$m)	4Q 2019	4Q 2018	%
Revenue	932.1	905.9	2.9
Profit before tax	109.9	124.5	(11.8)
PBT Margin (%)	11.8	13.7	
Income tax expense	(13.6)	(16.8)	(19.2)
Effective Tax Rate (%)	12.4	13.5	
Net profit	96.3	107.7	(10.6)
Net Margin (%)	10.3	11.9	
EPS (cents)	33.3	37.1	(10.2)



# **FINANCIAL POSITION AND CASH FLOW**




# Balance Sheet Summary

<b>(S\$m)</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
<b>Cash &amp; Bank Balances</b>	<b>714.5</b>	<b>712.8</b>
<b>Net Current Assets</b>	<b>1,590.0</b>	<b>1,455.7</b>
<b>Net Non-current Assets</b>	<b>908.6</b>	<b>896.4</b>
<b>Total Net Assets</b>	<b>2,498.6</b>	<b>2,352.1</b>
<b>Accumulated Profits</b>	<b>1,774.6</b>	<b>1,613.3</b>
<b>Share Capital &amp; Reserves</b>	<b>721.6</b>	<b>736.6</b>
<b>Non-Controlling Interests</b>	<b>2.4</b>	<b>2.2</b>
<b>Total Equity</b>	<b>2,498.6</b>	<b>2,352.1</b>
<b>Net Asset Value per Share</b>	<b>S\$8.65</b>	<b>S\$8.16</b>



# Comparison of Net Cash Position

<b>(S\$m)</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
<b>Cash &amp; Bank Balances</b>	<b>714.5</b>	<b>712.8</b>
<b>Total Loans</b>	<b>(1.1)</b>	<b>(1.8)</b>
<b>Net Cash</b>	<b>713.4</b>	<b>711.0</b>

 Net cash position remained strong at S\$713.4 million, despite paying out interim and final dividends totalling S\$201.7 million in FY2019.

# Comparison of Working Capital


<b>(S\$'m)</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
<b>Trade Receivables</b>	<b>898.9</b>	<b>735.9</b>
<b>Trade Payables</b>	<b>(490.3)</b>	<b>(529.0)</b>
<b>AR – AP</b>	<b>408.6</b>	<b>206.9</b>
<b>Inventories</b>	<b>706.2</b>	<b>808.2</b>
<b>Working Capital</b>	<b>1,114.7</b>	<b>1,015.1</b>

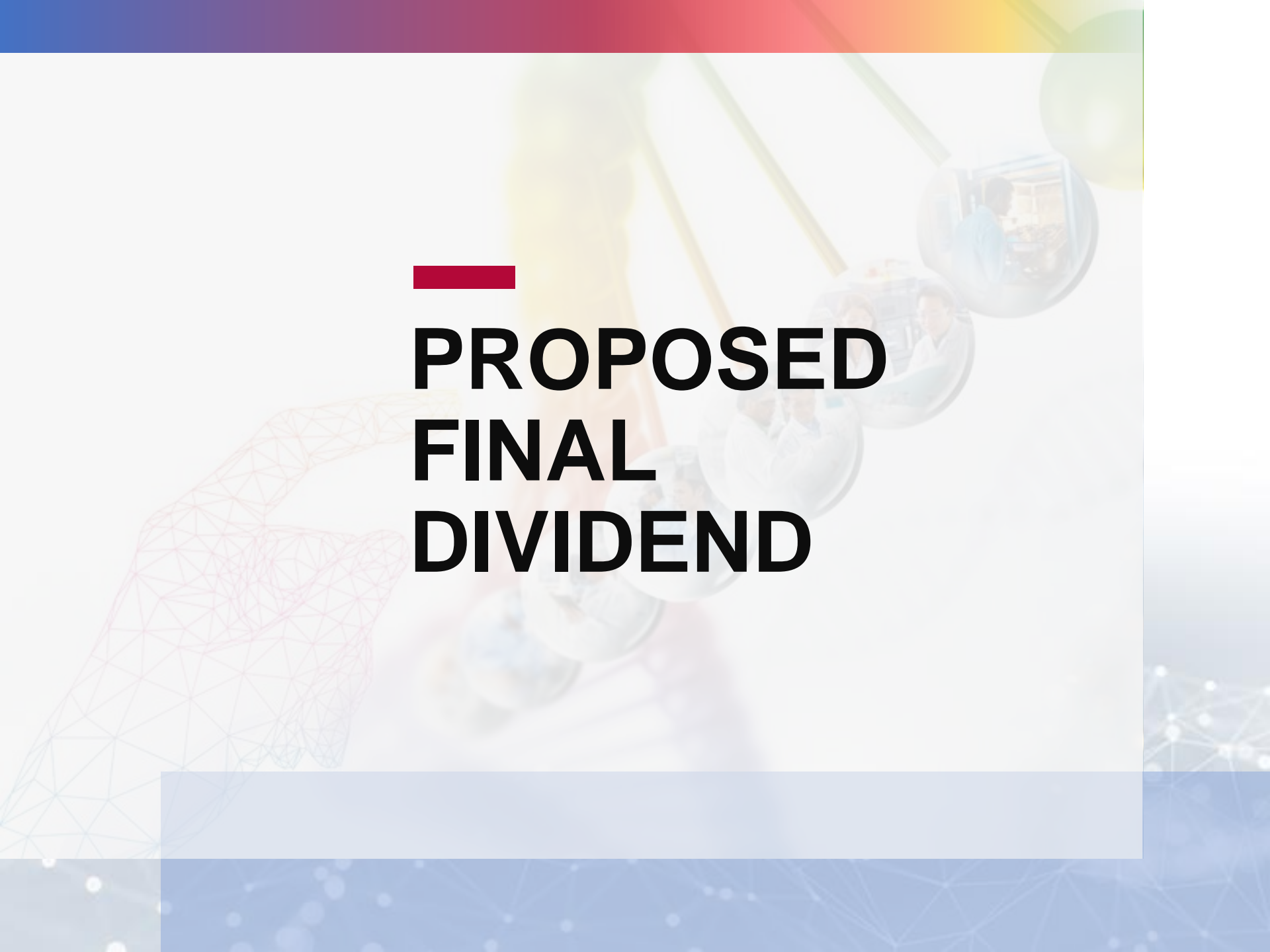
Working Capital position marginally higher year-on-year.

Higher net AR – AP position was partly offset by lower Inventories.

# Comparison of Free Cash Flow

(S\$m)	FY2019	FY2018
Operating profit before working capital changes	448.5	458.9
Cash generated from operations	291.7	311.5
<u>Less</u> Capex	(35.1)	(58.5)
Free cash flow	256.7	253.1

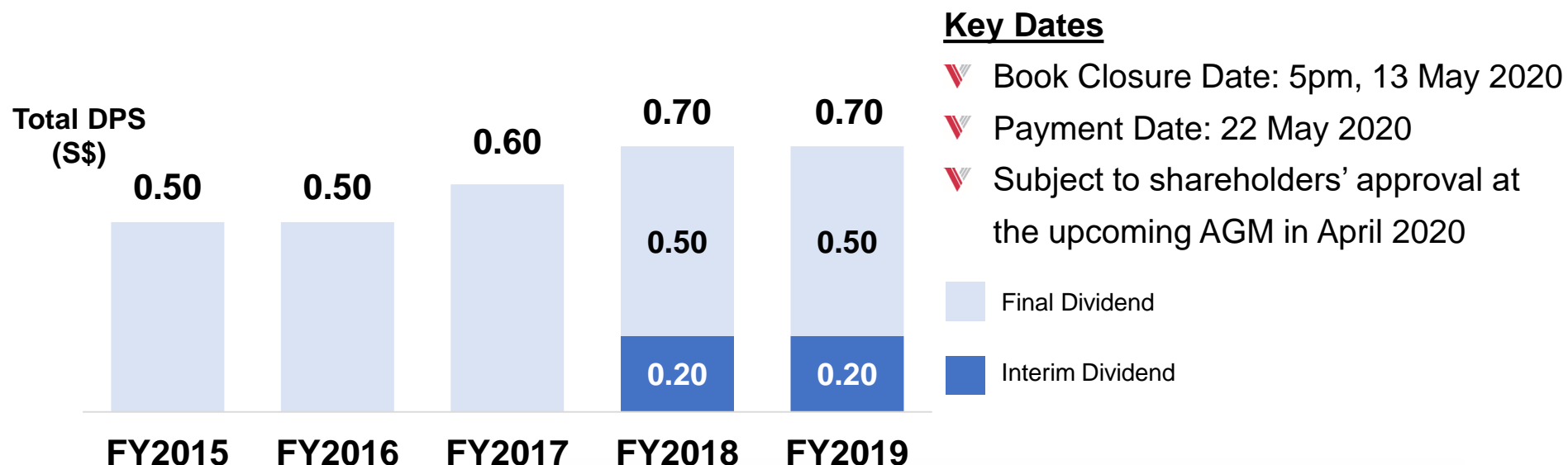
 Free cash flow remained healthy, driven by continuous strong cash generation from operations.



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# **PROPOSED FINAL DIVIDEND**

# Proposed Final Dividend of S\$0.50 per share



▼ The Board of Directors has recommended a final dividend of S\$0.50 per share on a one-tier tax-exempt basis.

▼ Including the interim dividend of S\$0.20 paid in September 2019, total dividend for FY2019 is S\$0.70, which translates to a dividend yield of 4.3%<sup>1</sup> and a payout ratio of about 56%.

▼ Venture has paid out over S\$2.3 billion in dividends since its first dividend payment of S\$0.0075 in FY1992.

1. Based on Venture's closing share price of S\$16.20 as at 31 December 2019.



# OUTLOOK

China's quarantine measures to contain the COVID-19 outbreak has disrupted the global supply chain. Venture has swiftly implemented corrective action plans to stabilise its assurance of supply. Production capacity from the Group's Clusters of Excellence outside of China, which forms the majority of Venture's manufacturing footprint, remains intact. Starting from the second quarter of 2020, the Group expects to be able to fulfil most, if not all, of customers' orders, including backlog from the first quarter of 2020.

Venture anticipates a stronger second half of 2020, supported by traction with its new and existing partners. The Group will be supporting new product introductions by existing partners across multiple selected technology domains, such as Life Science, Healthcare & Wellness, Instrumentation and Networking & Communications. It also expects to gain momentum with several new partners in the Life Science & Genomics and Healthcare & Wellness domains with growing contributions beyond 2020. As the Group's manufacturing footprint is mostly located in Southeast Asia, the Group is well positioned to capture new business opportunities as businesses continue to diversify their global supply chain network.

Venture continues to invest into expanding its differentiating capabilities within its ecosystems of interest. This will further strengthen the Group's existing partnerships and deepen Venture's value proposition in its selected technology domains and ecosystems.



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**