



**VENTURE REPORTS NET PROFIT OF S\$370.1 MILLION IN FY 2018
2.4% HIGHER THAN FY 2017 NET PROFIT EXCLUDING ONE-OFF GAIN**

**4Q 2018 NET PROFIT OF S\$107.7 MILLION
ON REVENUE OF S\$905.9 MILLION**

**PROPOSED FINAL DIVIDEND OF 50 CENTS PER SHARE
BRINGING FY 2018 TOTAL DIVIDEND TO 70 CENTS PER SHARE
REPRESENTING AN INCREASE OF 16.7% YEAR-ON-YEAR**

SINGAPORE, 22 FEBRUARY 2019 – For the financial year ended 31 December 2018, Venture Corporation Limited reported revenue of S\$3,484.6 million and net profit of S\$370.1 million. Excluding a one-off gain of S\$11.3 million from the disposal of an investment in an associate captured in the prior year, net profit for FY 2018 would have registered an increase of 2.4% year-on-year. For the three months ended 31 December 2018, Venture recorded revenue of S\$905.9 million and net profit of S\$107.7 million. Revenue for 4Q 2018 grew 17.6% against the prior quarter with stronger demand from customers.

FINANCIAL RESULTS HIGHLIGHTS



- ✓ FY 2018 Revenue of **S\$3,484.6 million**
- ✓ FY 2018 Net Profit of **S\$370.1 million**
- ✓ FY 2018 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 FY 2018 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

For the financial year ended 31 December 2018, the Group registered revenue of S\$3,484.6 million (-13.0% YoY). For the three months ended 31 December 2018, the Group registered revenue of S\$905.9 million (+17.6% QoQ, -16.6% YoY). The decline in 4Q 2018 revenue year-on-year was mainly attributable to the impact arising from customers' product transitions and customers' M&A activities. Revenue for 4Q 2018 grew 17.6% against prior quarter with stronger demand from customers.

For the twelve months ended 31 December 2018, the Group recorded profit before tax (PBT) of S\$433.0 million (-2.4% YoY). For 4Q 2018, the Group recorded PBT of S\$124.5 million (+31.5% QoQ, -25.9% YoY). Excluding non-recurring gain of S\$11.3 million recognised in 4Q 2017 arising from disposal of an investment in associate, PBT for 4Q 2018 would record a decrease of 20.5% year-on-year. In line with the PBT, the Group reported income tax expense of S\$62.9 million for the full year of 2018 and S\$16.8 million for the reported quarter.

The Group recorded net profit (profit attributable to owners of the Company) of S\$370.1 million for FY 2018 (-0.7% YoY). Excluding non-recurring gain, net profit for FY 2018 would register an increase of 2.4% year-on-year. For 4Q 2018, the Group recorded net profit of S\$107.7 million (+33.3% QoQ, -24.7% YoY). This translates to net margin of 10.6% for the twelve months ended 31 December 2018 (FY 2017: 9.3%) and 11.9% for the reported quarter (4Q 2017: 13.2%). Despite revenue headwinds, the Group managed to sustain its profitability driven by high value creation through Engineering Design, R&D capabilities and Operational Excellence across several technology domains.

Diluted Earnings Per Share was 127.3 cents for FY 2018 (FY 2017: 130.0 cents) and 37.1 cents for the reported quarter (4Q 2017: 49.5 cents).

FINANCIAL POSITION AND CASHFLOW

For the financial year ended 31 December 2018, the Group generated cash from operations of S\$311.5 million (FY 2017: S\$499.9 million). For the quarter ended 31 December 2018, cash generated from operations amounted to S\$34.6 million (4Q 2017: S\$191.3 million). Compared to FY 2017, the Group registered an increase in working capital position largely due to higher inventories to deliver continuous reliable support for customers' programmes.

As at 31 December 2018, the Group had S\$712.8 million of cash and bank balances (31 Dec 2017: S\$752.4 million). The Group net cash position remained strong at S\$711.0 million (31 Dec 2017: S\$721.6 million) despite an increase of S\$89.3 million dividends paid in 2018, inclusive of S\$57.6 million interim dividend paid in 3Q 2018. In 2018, the Group invested S\$58.5 million in the purchase of property, plant and equipment (FY 2017: S\$37.0 million).

As at 31 December 2018, Equity attributable to owners of the Company grew 8.5% to S\$2,349.9 million (31 Dec 2017: S\$2,165.8 million) and Net Asset Value per share was S\$8.16 (31 Dec 2017: S\$7.61).

PROPOSED FINAL DIVIDEND

The Board of Directors has recommended a final dividend of 50 cents per share on a one-tier tax-exempt basis for the financial year ended 31 December 2018. Including the interim dividend of 20 cents per share paid in September 2018, total dividend for FY 2018 will amount to 70 cents per share, representing a 16.7% increase over the prior year.

Subject to the approval of shareholders at the upcoming Annual General Meeting to be held in April 2019, the proposed final dividend will be paid on 22 May 2019.

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.

Submitted by Angeline Khoo Cheng Nee, Company Secretary, on 22 February 2019 to the Singapore Exchange Securities Trading Limited.

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

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ABOUT VENTURE (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 ecosystem of interests.

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.