



COVID-19 Update

20 May 2020

Disclaimer

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares (“Shares”) in VICOM Ltd (the "Company"). The value of shares and the income derived from them may fall as well as rise. Shares are not obligations of, deposits in, or guaranteed by, the Company or any of its affiliates. An investment in Shares is subject to investment risks, including the possible loss of the principal amount invested. The past performance of the Company is not necessarily indicative of its future performance.

This presentation may also contain forward looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

No part of this document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Company or any of its subsidiaries, affiliates, advisors or representatives and agents shall have any responsibility or liability whatsoever (in negligence or otherwise) relating to the accuracy or completeness of the information and opinions contained in this document or for any loss howsoever arising from any reliance or use of this document or its contents or otherwise arising in connection with the document. The information contained in this document is not to be taken as any recommendation made by the Company or any other person to enter into any agreement with regard to any investment.

The inclusion of financial information in this document should not be regarded as a representation or warranty by the Company, or any of its affiliates, advisors or representatives or any other person as to the accuracy or completeness of such information’s portrayal of the financial condition or results of operations of the Company and should not be relied upon when making an investment decision. The information contained in this document is provided as at the date of this document and is subject to change without notice.

If you have any doubt about the foregoing or any content of this document, you should obtain independent professional advice.

Contents

- COVID-19 Operational Update
- COVID-19 Financial Update



COVID-19 OPERATIONAL UPDATE

COVID-19 Update

Vehicle Inspection Business

- Goods vehicles, buses, taxis, private-hire cars, motorcycles inspections as per normal.
- Private car due for inspection between 7 April 2020 to 21 June 2020 to be deferred for 6 months.
- New car registration and emission test laboratory affected due to suspension of COE bidding.

Non-Vehicle Testing Business

- Exempted during Circuit Breaker “CB” period to serve essential service providers and key industries.
- However, our clients from Construction, Oil & Gas, Aviation, F&B etc. have been severely affected and this will have an impact on our activity levels.
- Recovery from COVID-19 is expected to be gradual and mirror closely that of the economy.

COVID-19 Update

Government Assistance

- Government has introduced a series of measures aimed at preserving jobs and livelihoods, as well as stabilising businesses.
- Government co-fund part of local employees salaries through the implementation of Jobs Support Scheme and waivers/rebates of levy for foreign workers.
- Business Support Schemes with tax deferments/rebates and rental waivers are also granted by the Government.

COVID-19 Update

Response and measures taken by VICOM

- Various measures implemented in close coordination with respective authorities.
- Enhanced cleaning measures and stock up of PPE.
- Deployed Social Distancing Ambassadors to constantly remind and ensure staff/customers practise safe distancing.
- Senior management and Directors have taken voluntary cuts in pay and fees respectively.

Way forward

- VICOM will continue to watch and respond to the evolving COVID-19 crisis.
- We will work with the authorities to decisively intervene and prevent any outbreak at our workplaces and facilities.
- Our top priority is the safety and well-being of our staff and our customers.

COVID-19 FINANCIAL UPDATE

1Q 2020

Income Statement

	1Q 2020	1Q 2019	Fav/(Adv)	
	\$'000	\$'000	\$'000	%
Revenue	25,304	25,533	(229)	(0.9)
Operating Costs	(16,373)	(16,708)	335	2.0
Operating Profit	8,931	8,625	106	1.2
Operating Profit Margin (%)	35.3%	34.6%		
Profit After Tax	7,446	7,455	(9)	(0.1)
Profit after Tax and Minority Interest (PATMI)	7,328	7,343	(15)	(0.2)
EBITDA	10,749	10,802	(53)	(0.5)

- The 1Q 2020 results are pre-April & May 2020 circuit breaker measures.
- Revenue ↓\$229k – Lower revenue mainly due the outbreak of COVID-19 and the poor economic outlook.
- Operating Costs ↓\$335k – Lower expenses on depreciation and contract services.
- Operating Profit ↑\$106k – Lower revenue offset by lower operating costs.
- PATMI ↓\$15k – As a result of the above and lower interest income

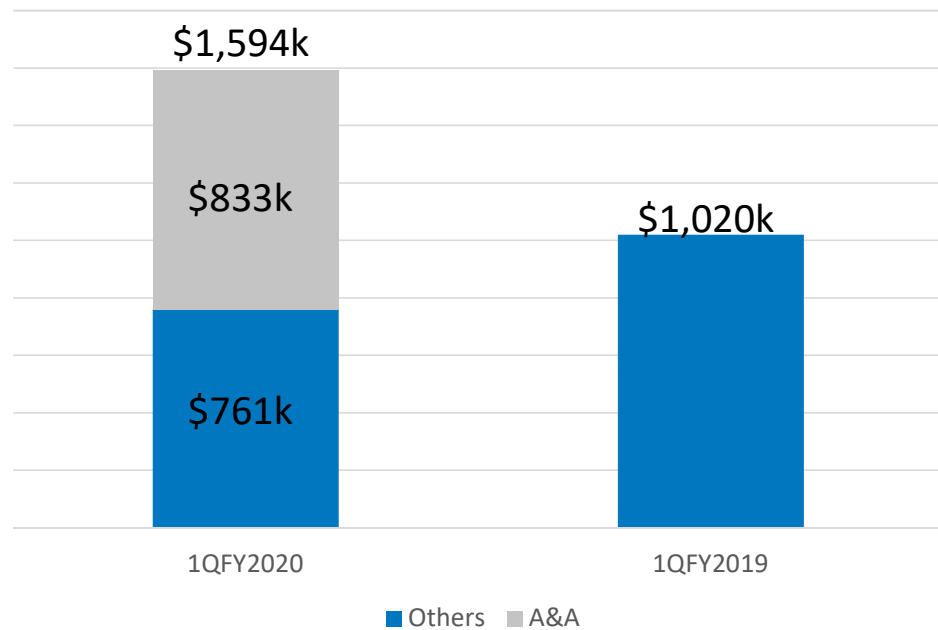
Balance Sheet

	Mar 20	Dec 19	Fav/(Adv)	
	\$'000	\$'000	\$'000	%
Cash & Cash Equivalents	97,905	92,851	5,054	5.4
Other Current Assets	17,205	18,029	(824)	(4.6)
Non-Current Assets	94,508	94,164	344	0.4
Total Assets	209,618	205,044	4,574	2.2
Current Liabilities	36,151	38,902	(2,751)	(7.1)
Non-Current Liabilities	33,831	33,852	(21)	(0.1)
Total Liabilities	69,982	72,754	(2,772)	(3.8)
Total Equity	139,636	132,290	7,346	5.6

- Increase in total assets mainly due to higher cash & cash equivalents.
- Decrease in total liabilities mainly due to lower creditors and provisions in 1Q 2020.

CAPEX

CAPEX 1Q 2020 vs 1Q 2019



- CAPEX ↑\$574k –

Progressive payments for Addition and Alteration works (A&A) at the new premise in Bukit Batok of \$833k offset by decrease in other CAPEX

Cashflow

	1Q 2020 (\$'000)
Cash from Operating Activities	6,328
<u>Utilisation of Cash:</u>	
CAPEX	(1,594)
Payments under lease liability	(337)
Dividends to non-controlling interests	(246)
Total Utilisation of Cash	(2,177)
Interest Received	824
Proceeds from disposal of vehicles, premises & equipment	10
Net effect of exchange rate changes in consolidating subsidiaries	69
Net Cash Generated	5,054

Financial Summary

Financial Performance

- Inspections and testing services businesses remain stable in 1Q 2020
- The 1Q 2020 results are pre-April & May 2020 circuit breaker measures

Financial Position

- Strong and resilient balance sheet
- Healthy cash balance of \$98 million

Cash Flow

- Reduced CAPEX (Excluding A&A) from deferring of non-essential CAPEX to conserve cash
- Net cash generated of \$5,054k during 1Q 2020

THANK YOU