

VICOM'S RESULTS
FOR THE FULL YEAR ENDED 31 DECEMBER 2021

- **Full year Group Revenue increased by 16.7% to \$100.9 million.**
- **Group operating profit increased by 5.6% to \$31.0 million.**
- **Net profit attributable to Shareholders increased by 1.2% to \$24.8 million.**
- **Excluding COVID-19 Government reliefs, Group operating profit increased by 35.0% to \$29.2 million.**

Singapore, 21 February 2022 – VICOM Ltd today announced its audited results for the year ended 31 December 2021.

Highlights

	FY 2021 (\$m)	FY 2020 (\$m)	% change
Revenue	100.9	86.5	16.7
Operating Profit	31.0	29.3	5.6
Net Profit Attributable to Shareholders	24.8	24.5	1.2
EBITDA	38.2	36.7	4.3
EPS - cents	6.99	6.91	1.2

Introduction

As the Singapore economy continued to recover from the negative impact caused by the COVID-19 pandemic, demand for the Group's services also improved. This was especially so for the non-vehicle testing business which is highly dependent on the recovery of the construction, marine & offshore, oil & gas and manufacturing sectors. The vehicle testing business also grew during the year, buoyed by new regulations requiring all private hire vehicles (PHVs) to undergo yearly periodic inspection. As a result, a record number of 523,639 vehicles were inspected during the year, including 33,202 hybrid and electric vehicles. This compares with 493,520 vehicles that were inspected in 2020.

Financial Performance

Group revenue increased by 16.7% to \$100.9 million largely due to a much improved second quarter which was stronger compared to the corresponding quarter in 2020 which was marked by a complete lockdown due to COVID-19.

Consequently, the Group's operating profit grew by 5.6% to \$31.0 million for the year ending 31 December 2021.

Net profit attributable to shareholders increased by 1.2% to \$24.8 million.

Excluding COVID-19 Government reliefs which amounted to \$1.8 million in 2021, the Group's operating profit increased by \$7.6 million or 35.0% to \$29.2 million.

VICOM Chief Executive Officer Sim Wing Yew said: "There has been an increase in the level of economic activity in the last few months and the Group managed to turn in a strong performance. But we are not out of the woods given that the COVID-19 situation remains so fluid and challenging. We continue to manage costs amidst the pandemic whilst ensuring that the safety of our customers and staff is not compromised."

Dividend

A tax-exempt one-tier final dividend of 3.24 cents per ordinary share has been proposed. To commemorate VICOM's 40th Anniversary, a tax-exempt one-tier special dividend of 2.0 cents per ordinary share has also been proposed. Together with the interim tax-exempt one-tier dividend of 3.04 cents paid on 31 August 2021, the total dividend for 2021 will be 8.28 cents per ordinary share, representing a payout ratio of 118% if the final dividend is approved by shareholders at the Annual General Meeting on 27 April 2022.

Commentary

Demand for the vehicle testing business is expected to remain strong, with the new regulations mandating annual inspection of licensed ride-hail and street-hail service vehicles.

Demand for the non-vehicle testing business is also expected to improve with the gradual resumption of economic activities. However, profit margins will continue to come under pressure due to greater competition and also higher manpower and compliance costs as a result of the pandemic.

Barring unforeseen circumstances and a deterioration of the COVID-19 situation, the Group expects satisfactory performance in the year ahead.

Background

VICOM Ltd is Singapore's leading provider in inspection and technical testing services, offering a comprehensive range of inspection and testing services in vehicle and non-vehicle testing fields including mechanical, biochemical, civil engineering and non-destructive testing.