

PRESS RELEASE

CSE's FY2020 net profit rises by 16.4% to S\$28.0 million

- Revenue was 11.3% higher year-on-year (“yoy”) at S\$502.8 million.
- Strong cash flow from operations of S\$48.5 million due to better working capital management
- Lower order intake of S\$431.5 million due to absence of large greenfield projects
- Proposed final dividend of 1.5 Singapore cents per share

Singapore, 23 February 2021 – CSE Global Limited (“CSE” or the “Group”) announced today its results for the full year ended 31 December 2020 (“FY2020” or “FY20”).

Financial Highlights

S\$'000	2020 2H	2019 2H	Change	FY2020	FY2019	Change
Revenue	247,214	268,041	-7.8%	502,789	451,756	11.3%
Gross profit	68,762	72,933	-5.7%	146,199	123,711	18.2%
Earnings before interest and tax (“EBIT”)	19,765	17,690	11.7%	39,306	31,835	23.5%
Net profit	12,913	13,836	-6.7%	28,004	24,054	16.4%
Gross profit margin (%)	27.8%	27.2%	+0.6pp	29.1%	27.4%	+1.7pp
Net profit margin (%)	5.2%	5.2%	0.0pp	5.6%	5.3%	+0.3pp
Net cash generated from operations	14,558	11,836	23.0%	48,476	18,027	168.9%
New orders received	189,413	386,206	-51.0%	431,484	578,848	-25.5%

For FY20, the group revenue grew by 11.3% to S\$502.8 million, mainly led by the Americas and Asia-Pacific regions, attributed to higher revenue recognition from large greenfield projects secured in 2019 in the Americas region and higher mining & mineral revenues recognised in Australia.

In line with the growth in revenues and an improvement in gross margin to 29.1%, gross profit in FY20 rose by 18.2% to S\$146.2 million.

EBIT in FY20 increased by 23.5% to S\$39.3 million as compared to FY19 of S\$31.8 million, led by higher gross profit of S\$22.4 million which was partially offsetted by increase in operating expenses of S\$15.8 million. During FY20, interest expenses grew by 76.3% or S\$1.6 million to S\$3.8 million, mainly from higher interest expenses incurred due to acquisitions made for Volta and RCS in FY19 and unfavourable fair value changes on financial instrument of S\$0.9 million.

Order intake in FY20 decreased by 25.5% to S\$431.5 million as compared to FY19 of S\$578.8 million as a result of lower orders in the Oil & Gas segment but partially offsetted by growth in orders for both Infrastructure and Mining segments. As at 31 December 2020, the order book remained robust at S\$236.0 million.

For FY20, the Group generated a cash inflow from operations of S\$48.5 million. The Group lowered its net debt position to S\$39.0 million as at end of December 2020, compared to FY19 of S\$44.5 million due to better working capital management.

Commenting on the Group's results, Mr. Lim Boon Kheng, Group Managing Director of CSE, said, “We are pleased to report a commendable set of results for FY2020. However, the current market environment still presents numerous uncertainties going forward: COVID-19 pandemic, oil & gas prices

and global economic outlook. Despite the uncertainties in the coming months, the Group remains confident to achieve a satisfactory financial performance for 2021.”

The Board of Directors has recommended a final one-tier tax-exempt dividend of 1.5 Singapore cents per share. This represents a dividend payout of 50.2% of the Group’s FY2020 net profit, after taking into account the interim dividend of 1.25 Singapore cents per share given in 1H20. The dividend will be paid on 14 May 2021.

End of Release

About CSE Global Limited (“CSE”):

Listed on Singapore Exchange since 1999, CSE Global Limited is a global technologies company with an international presence spanning the Americas, Asia Pacific, Europe, Middle East and Africa. The Group has now more than 1,400 employees worldwide, and operates a network of 41 offices across the globe, generating more than 85 percent of its revenues outside its home market. In line with global ambitions, the Group has adopted the ISO 9001 Quality Management System as certified by Lloyd’s Register Quality Assurance (LRQA) and DNV. The CSE Group of companies has been very successful in offering cost-effective, totally integrated solutions to industries in the Oil & Gas, Infrastructure and Mining sectors. CSE has a consistent profit track and a management that is focused on operational excellence to achieve sustainable profit growth and enhance shareholder returns.

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