



# CSE Global Limited FY2020 Results Briefing

24 February 2021

**CSE** Global



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# 1 Address by CEO

**CSE** Global

# Corporate Profile

A systems integrator, global technologies company providing process controls, communication & security solutions & services for its customers



## Geographical Presence

- 12 countries, 41 offices
- Americas, Asia Pacific, Europe, Middle East & Africa

## Markets served



### Oil & Gas

- Offshore: shallow sea, continental shelf & deep sea
- Onshore: shale, pipeline & chemical/petrol-chemical



### Infrastructure

- Transportation (road, rail, air)
- Power utilities (generation & distribution)
- Water/waste water utilities



### Mineral & Mining

- Commodities & minerals: Coal, gold, iron, copper, nickel & molybdenum

# Business Overview

## General Sentiments

FY2020 overall an commendable result, markets remains cautious



### Positives

- Strong growth in net profit(+16.4%) in FY2020
- Operating margins are stable
- Positive operating cash flow of S\$48.5 million
- Order intake of S\$431.5 million

### Negatives

- Net debt of S\$39.0m

## Segmental Performance

Building on FY2017/2018 initiatives, with a focus on US O&G and ANZ&SG Infra



### Oil & Gas

- Pursue organic growth in West Texas region apart from Permian and Eagleford
- Focus on onshore & offshore in the Americas



### Infrastructure

- Strengthening communications business in ANZ and new regions through acquisitions
- Engaging more with the SG Government

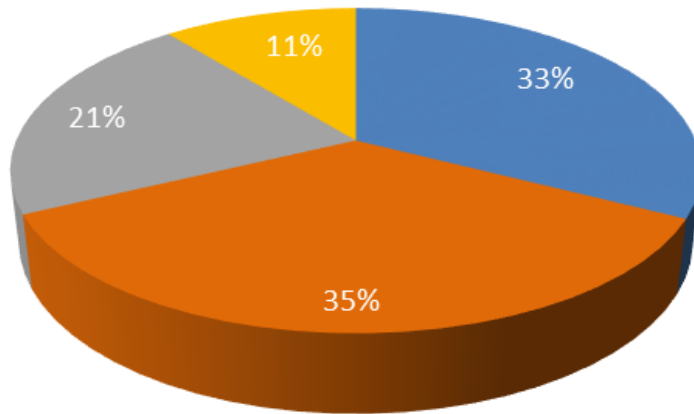


### Mineral & Mining

- Stable stream of flow projects

# FY20 Revenue Breakdown By Industry Segments

FY20



- Oil & Gas -Onshore   ■ Oil & Gas -Offshore
- Infrastructure   ■ Mining & Mineral

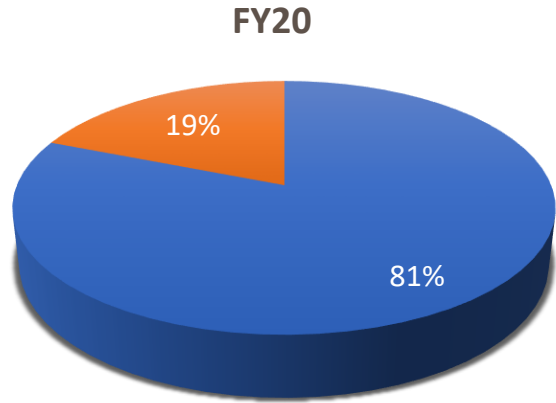
*Infrastructure: Power, Water, Waste Treatment & Transportation*

S\$ million	FY20	FY19	YoY%
Oil & Gas - Onshore	163.7	148.7	10.1%
Oil & Gas - Offshore	177.5	145.4	22.1%
Infrastructure	106.9	115.3	-7.2%
Mining & Mineral	54.7	42.4	29.0%
<b>Total</b>	<b>502.8</b>	<b>451.8</b>	<b>11.3%</b>

Australia communication revenue:  
 FY2020 A\$87.0m  
 FY2019 A\$67.9m

Note: Total may not sum up due to rounding.

# FY20 Revenue Breakdown By Projects



■ Flow Business   ■ Large Greenfield Projects

S\$ million	FY20	FY19	YoY%
Flow Business*	407.9	426.1	-4.3%
Large Greenfield Projects	94.9	25.7	369.2%
<b>Total</b>	<b>502.8</b>	<b>451.8</b>	<b>11.3%</b>
<b>Flow Business %</b>	<b>81%</b>	<b>94%</b>	

Note: Total may not sum up due to rounding.

\*Includes Brownfield and Small Greenfield Projects which tend to be recurring in nature

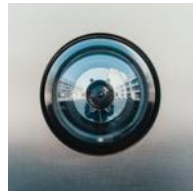


# FY2021 Key Strategies



## Oil & Gas (Americas)

- Small greenfield projects / brownfield projects in the Gulf of Mexico
- Shale projects in the US (Permian Basin & Eagleford)
- Expand geographical coverage



## Infrastructure (Singapore)

- Singapore Government
- Focus on security, transportation related projects

## Infrastructure (Australia)

- Energy Solutions
- Radio Business



## Infrastructure (International)

- Radio Business

# Acquisitions

- Acquisition remains a key growth strategy
- Where?
  - Oil & gas segment and Infrastructure segment
  - USA, Europe and Australia/New Zealand
- Will acquire within means – No high gearing

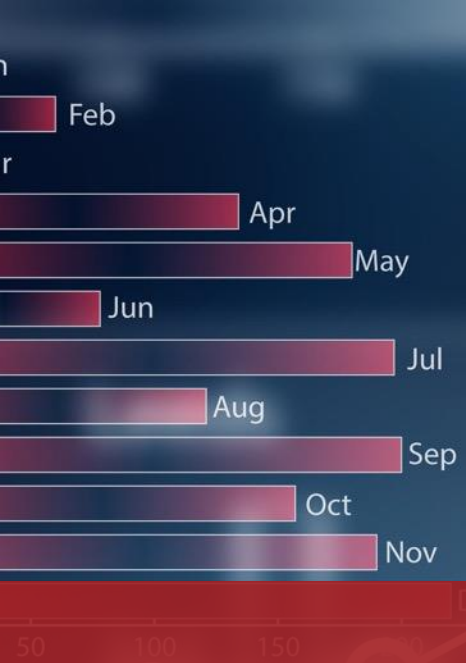
# FY21 Outlook

The Group notes that the current market environment still presents numerous uncertainties going forward: COVID-19 pandemic, oil & gas prices and global economic outlook. Despite these uncertainties in the coming months, the Group remains confident to achieve a satisfactory financial performance in 2021.

As a Group, we will maintain capital discipline and will look for value accretive and strategic acquisitions to grow and reshape our business in a post pandemic environment to ensure a diversified and sustainable income stream.

# Dividend (Proposed)

S\$ million	FY20	FY19	FY18
<b>Dividends (cents):</b>			
- Interim	1.25	1.25	1.25
- Final	1.50#	1.50	1.50
<b>Payment date</b>	14 May 2021		
<b>Book closure</b>	7 May 2021		
<b>AGM</b>	20 April 2021		
# Proposed and subject to approval at AGM			



# 2 Financial Performance By CFO



# Financial Snapshot

2H20	
-7.8%	Revenue of S\$247.2 million
+0.6pp	Gross margins of 27.8%
+11.7%	EBIT of S\$19.8 million
-6.7%	Net profit of S\$12.9 million
-7.0%	EPS of 2.53 Singapore cents
-51.0%	Order Intake of S\$189.4 million
-2.2pp	Annualised ROE of 13.5%

FY20	
+11.3%	Revenue of S\$502.8 million
+1.7pp	Gross margins of 29.1%
+23.5%	EBIT of S\$39.3 million
+16.4%	Net profit of S\$28.0 million
+16.1%	EPS of 5.49 Singapore cents
-25.5%	Order Intake of S\$431.5 million
+1.0pp	Annualised ROE of 14.6%

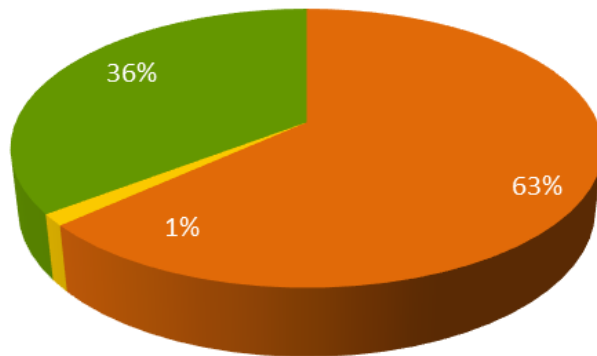
# Summary Financials

S\$ million	2H20	2H19	Change	FY20	FY19	Change
Revenue	247.2	268.0	-7.8%	502.8	451.8	11.3%
Gross Profit	68.8	72.9	-5.7%	146.2	123.7	18.2%
EBIT	19.8	17.7	11.7%	39.3	31.8	23.5%
EBITDA	29.7	26.0	14.5%	58.3	45.4	28.3%
Net Profit attributable to equity owners of company	12.9	13.8	-6.7%	28.0	24.1	16.4%
Gross profit margin (%)	27.8%	27.2%	+0.6pp	29.1%	27.4%	+1.7pp
EBIT margin (%)	8.0%	6.6%	+1.4pp	7.8%	7.0%	+0.8pp
Net margin (%)	5.2%	5.2%	+0.0pp	5.6%	5.3%	+0.3pp
Operating cash flow from operations	14.6	11.8	23.0%	48.5	18.0	168.9%
Net Cash/(debt)	(39.0)	(44.5)	-12.4%	(39.0)	(44.5)	-12.4%
Order intake -continuing operations	189.4	386.2	-51.0%	431.5	578.8	-25.5%
Order book - continuing operations	236.0	307.3	-23.2%	236.0	307.3	-23.2%
ROE (annualised)	13.5%	15.7%	-2.2pp	14.6%	13.6%	+1.0pp

# 2H20 Revenue Breakdown By Geographical Segments

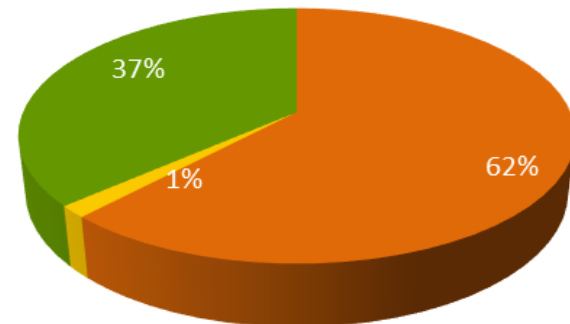
S\$ million	2H20	2H19	YoY %
Americas	156.5	165.9	-5.7%
EMEA	3.3	4.0	-16.9%
Asia Pacific	87.4	98.2	-11.0%
<b>Total</b>	<b>247.2</b>	<b>268.0</b>	<b>-7.8%</b>

2H20



■ Americas ■ EMEA ■ Asia Pacific

2H19



■ Americas ■ EMEA ■ Asia Pacific

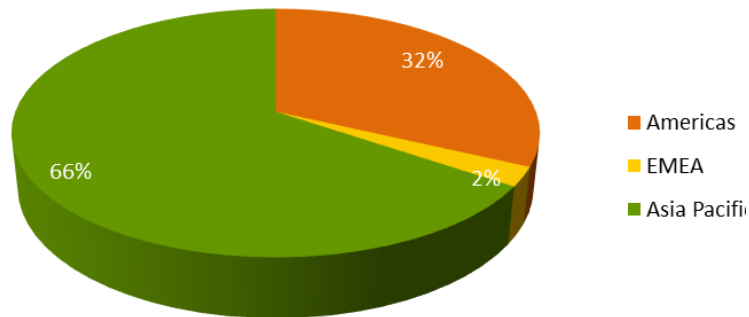
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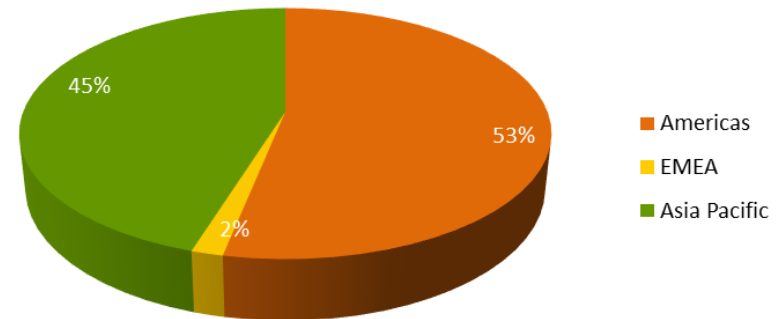
# 2H20 EBIT Breakdown By Geographical Segments

S\$ million	2H20	2H19	YoY %
Americas	6.3	9.4	-32.7%
EMEA	0.5	0.3	68.6%
Asia Pacific	13.0	8.0	62.0%
<b>Total</b>	<b>19.8</b>	<b>17.7</b>	<b>11.7%</b>

2H20



2H19

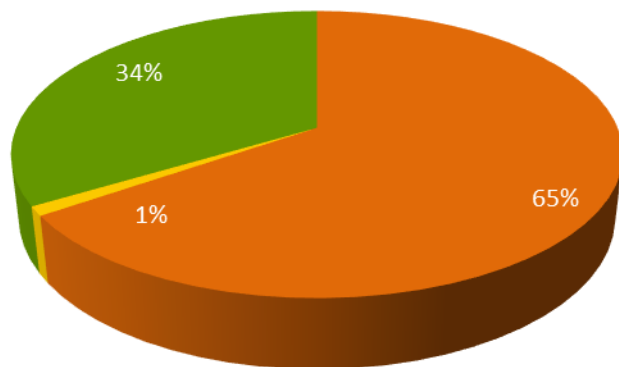


Note: Total may not sum up due to rounding.

# FY20 Revenue Breakdown By Geographical Segments

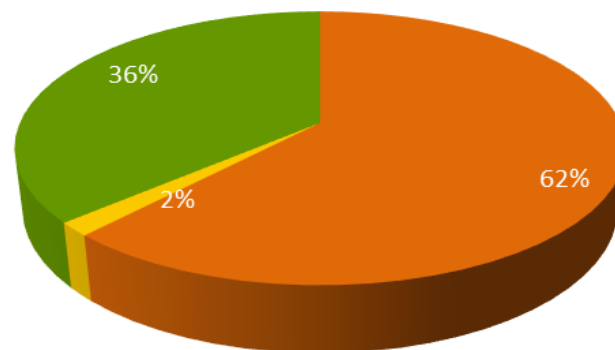
S\$ million	FY20	FY19	YoY %
Americas	328.7	279.4	17.6%
EMEA	5.2	7.2	-27.3%
Asia Pacific	168.8	165.1	2.3%
<b>Total</b>	<b>502.8</b>	<b>451.8</b>	<b>11.3%</b>

**FY20**



■ Americas ■ EMEA ■ Asia Pacific

**FY19**



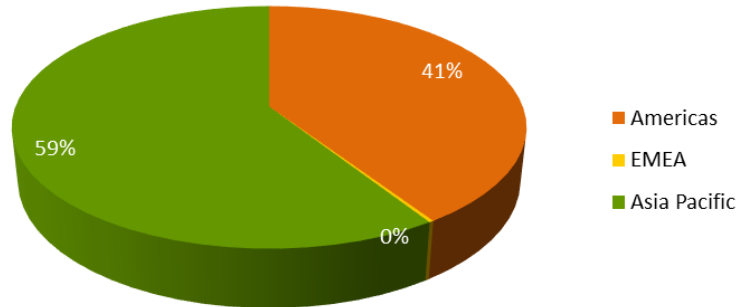
■ Americas ■ EMEA ■ Asia Pacific

Note: Total may not sum up due to rounding.

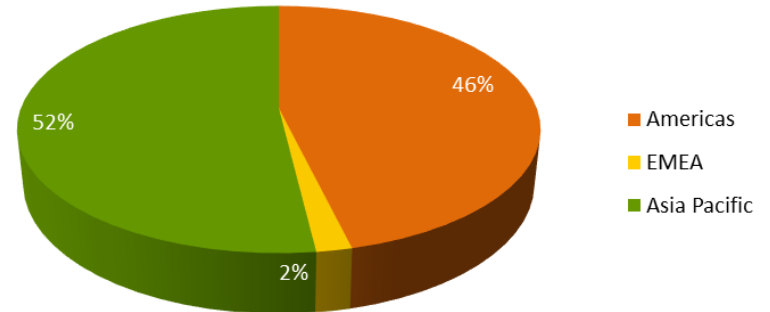
# FY20 EBIT Breakdown By Geographical Segments

S\$ million	FY20	FY19	YoY%
Americas	16.0	14.7	8.6%
EMEA	0.1	0.6	-83.5%
Asia Pacific	23.2	16.5	40.5%
<b>Total</b>	<b>39.3</b>	<b>31.8</b>	<b>23.5%</b>

**FY20**



**FY19**

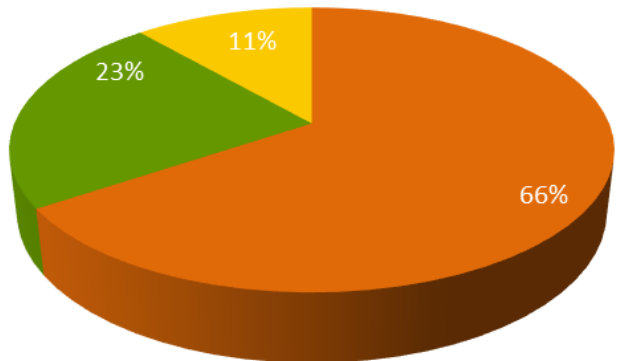


Note: Total may not sum up due to rounding.

# 2H20 Revenue Breakdown By Industry Segments

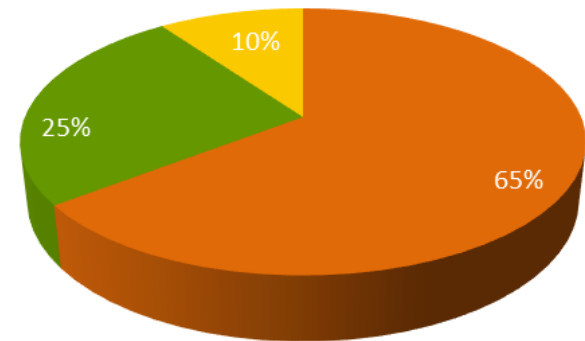
S\$ million	2H20	2H19	YoY %
Oil & Gas	162.2	173.1	-6.3%
Infrastructure	56.8	68.3	-16.9%
Mining & Mineral	28.3	26.6	6.2%
<b>Total</b>	<b>247.2</b>	<b>268.0</b>	<b>-7.8%</b>

2H20



Oil & Gas Infrastructure Mining & Mineral

2H19



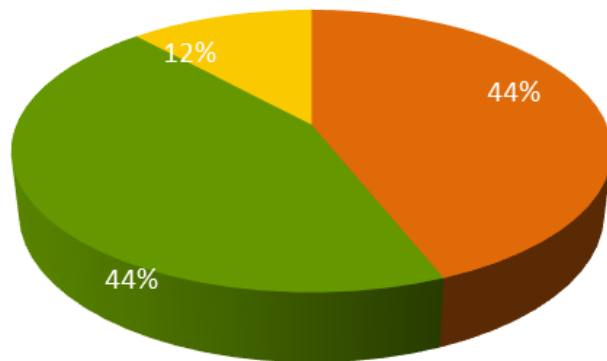
Oil & Gas Infrastructure Mining & Mineral

Note: Total may not sum up due to rounding.

# 2H20 EBIT Breakdown By Industry Segments

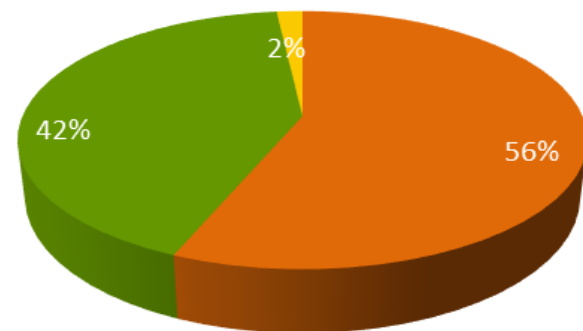
S\$ million	2H20	2H19	YoY %
Oil & Gas	8.7	9.9	-12.7%
Infrastructure	8.8	7.4	17.7%
Mining & Mineral	2.3	0.3	647.4%
<b>Total</b>	<b>19.8</b>	<b>17.7</b>	<b>11.7%</b>

## 2H20



Oil & Gas    Infrastructure    Mining & Mineral

## 2H19



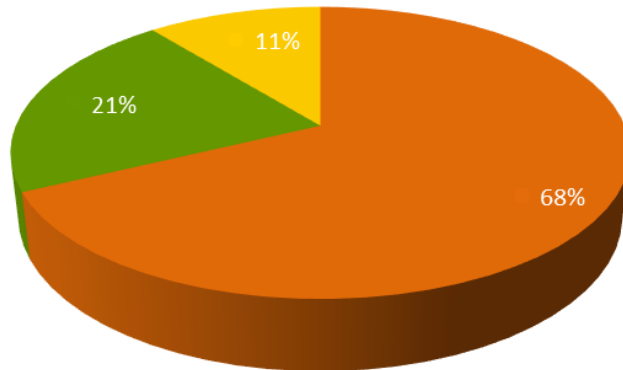
Oil & Gas    Infrastructure    Mining & Mineral

Note: Total may not sum up due to rounding.

# FY20 Revenue Breakdown By Industry Segments

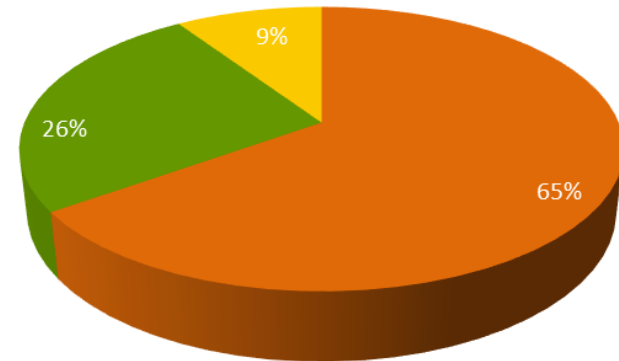
S\$ million	FY20	FY19	YoY %
Oil & Gas	341.1	294.1	16.0%
Infrastructure	106.9	115.3	-7.2%
Mining & Mineral	54.7	42.4	29.0%
<b>Total</b>	<b>502.8</b>	<b>451.8</b>	<b>11.3%</b>

**FY20**



Oil & Gas Infrastructure Mining & Mineral

**FY19**



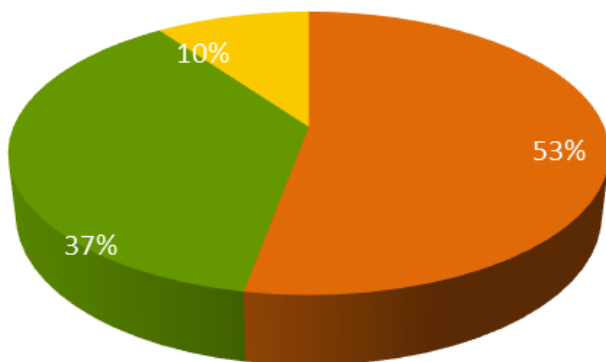
Oil & Gas Infrastructure Mining & Mineral

Note: Total may not sum up due to rounding.

# FY20 EBIT Breakdown By Industry Segments

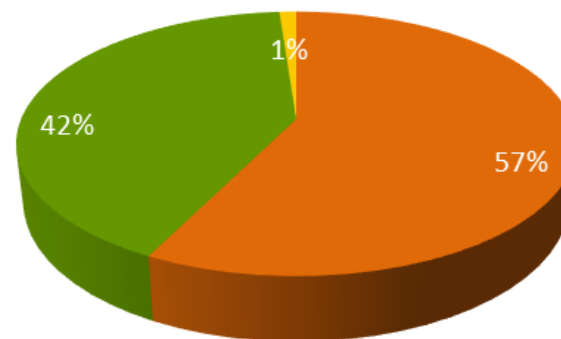
S\$ million	FY20	FY19	YoY %
Oil & Gas	20.8	18.3	13.8%
Infrastructure	14.6	13.2	10.8%
Mining & Mineral	3.9	0.4	958.4%
<b>Total</b>	<b>39.3</b>	<b>31.8</b>	<b>23.5%</b>

**FY20**



Oil & Gas    Infrastructure    Mining & Mineral

**FY19**



Oil & Gas    Infrastructure    Mining & Mineral

Note: Total may not sum up due to rounding.

# Revenue By Geographical Segments – Quarterly Trends

S\$ million	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>Americas</b>	83.9	72.6	80.3	92.0	98.1	67.8	59.8	53.8
<b>EMEA</b>	1.3	2.0	0.5	1.5	2.4	1.6	1.6	1.6
<b>Asia Pacific</b>	44.1	43.3	43.0	38.4	56.1	42.1	37.8	29.2
<b>Total</b>	<b>129.4</b>	<b>117.9</b>	<b>123.7</b>	<b>131.8</b>	<b>156.6</b>	<b>111.5</b>	<b>99.2</b>	<b>84.5</b>

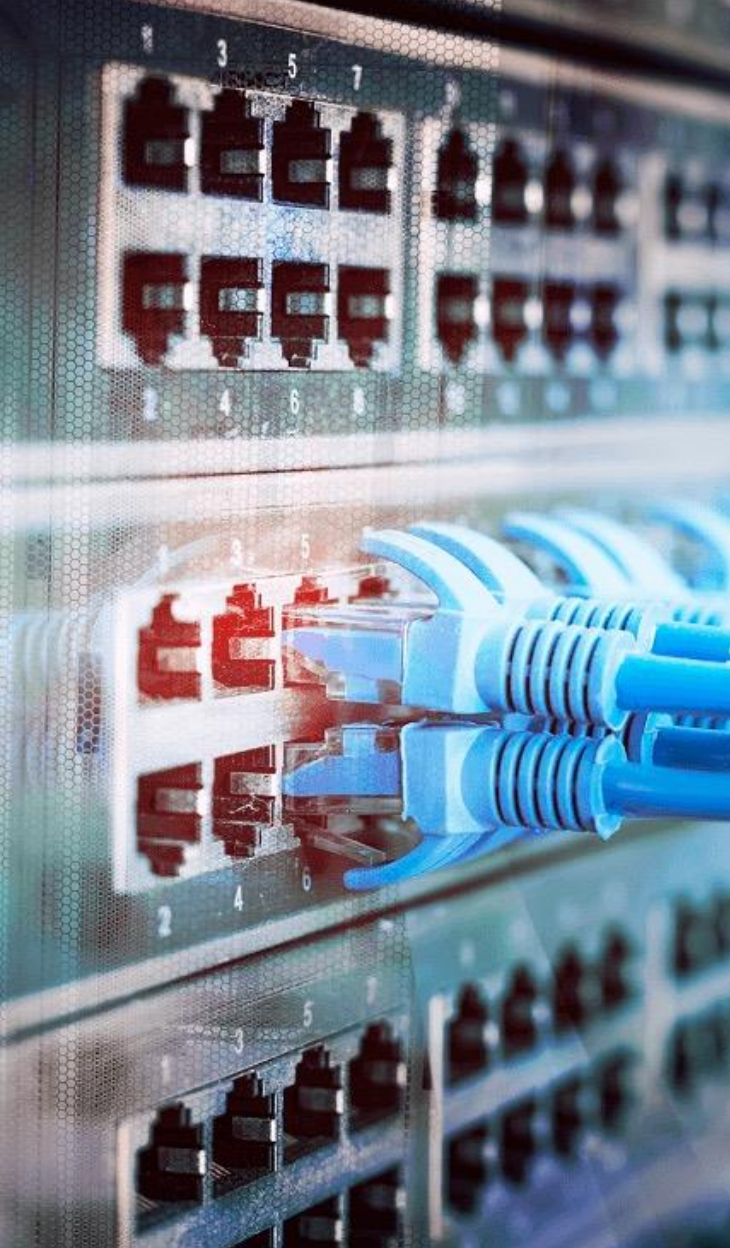
Note: Total may not sum up due to rounding.



# Revenue By Industry – Quarterly Trends

S\$ million	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>Oil &amp; Gas</b>	85.2	76.9	83.4	95.6	101.8	71.3	63.9	57.1
<b>Infrastructure</b>	30.9	25.9	25.3	24.9	39.4	28.9	24.3	22.7
<b>Mining &amp; Mineral</b>	13.2	15.0	15.1	11.3	15.4	11.2	11.1	4.7
<b>Total</b>	<b>129.4</b>	<b>117.9</b>	<b>123.7</b>	<b>131.8</b>	<b>156.6</b>	<b>111.5</b>	<b>99.2</b>	<b>84.5</b>

Note: Total may not sum up due to rounding.



## Financial Position & Cash Flow

### Cash inflow/(outflow) from operations

S\$14.6 million in 2H20 vs S\$11.8 million in 2H19  
S\$48.5 million in FY20 vs S\$18.0 million in FY19

### Net cash/(debt)

(S\$39.0) million at 31 December 2020 vs  
(S\$44.5) million at 31 December 2019

### Equity attributable to owners of the Company

S\$191.8 million at 31 December 2020 vs  
S\$176.3 million at 31 December 2019

### NAV per share

37.75 cents at 31 December 2020 vs  
34.72 cents at 31 December 2019

# Group Balance Sheet

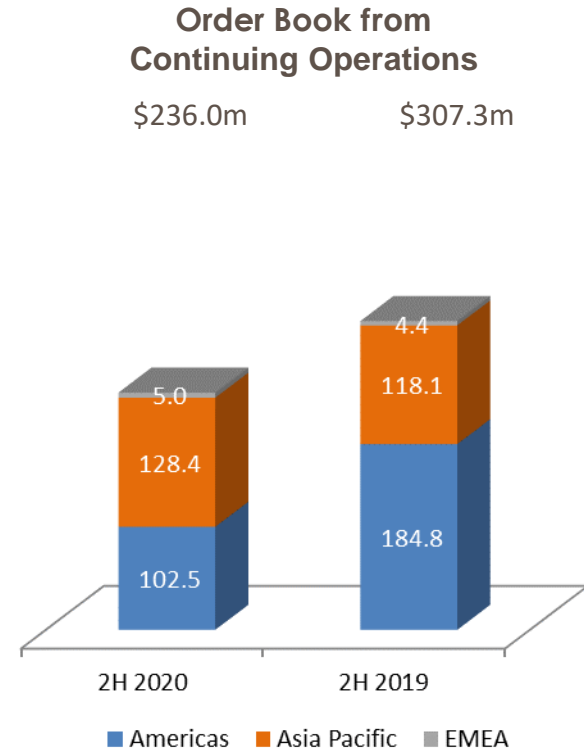
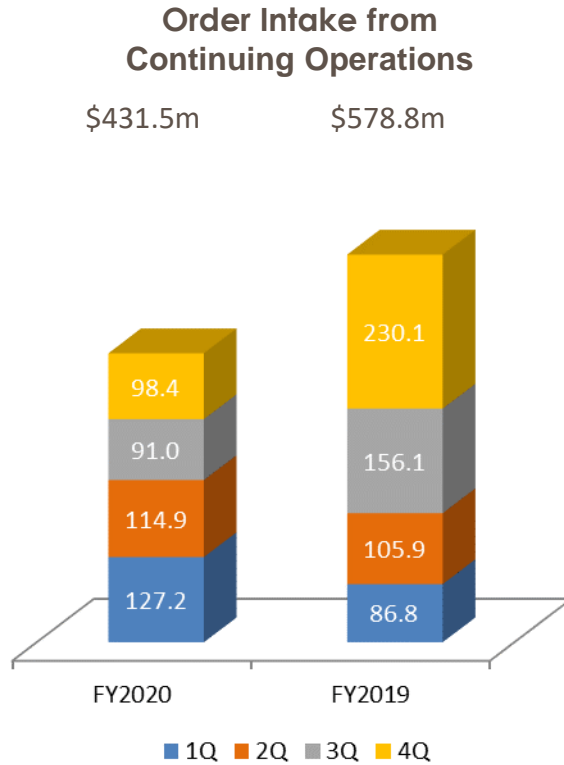
<b>S\$ million</b>	<b>31-Dec-20</b>	<b>30-Sep-20</b>	<b>30-Jun-20</b>	<b>31-Mar-20</b>	<b>31-Dec-19</b>
<b>PPE</b>	61.6	59.0	60.1	59.8	58.2
<b>Right-to-use assets</b>	23.2	22.7	24.0	24.2	13.8
<b>Intangible Assets</b>	57.5	58.4	59.6	60.0	58.9
<b>Cash at Hand &amp; Bank</b>	52.5	60.1	67.6	67.6	58.6
<b>Contract Assets (Net)</b>	45.6	34.3	41.1	10.8	23.2
<b>Inventories</b>	26.1	26.2	27.9	21.6	21.7
<b>Trade and Other Receivables</b>	108.9	92.8	92.6	124.3	127.9
<b>Trade Payables and Accruals</b>	68.1	60.0	67.3	62.5	71.5
<b>Derivative liabilities</b>	2.2	3.0	3.3	-	-
<b>Loans and borrowings</b>	91.5	90.0	88.7	100.3	103.1
<b>Net Cash/(Debt)</b>	(39.0)	(29.9)	(21.1)	(32.7)	(44.5)
<b>Shareholders' Fund</b>	191.8	180.5	189.1	184.5	176.3

# Group Cash Flow Statement

S\$ million	2H20	2H19	FY20	FY19
As at beginning of the period	59.6	43.6	50.6	74.1
Net Operations	14.6	11.8	48.5	18.0
Interest and tax	(6.2)	(2.6)	(8.4)	(6.2)
Capital Expenditure (Net)	(4.9)	(7.0)	(10.9)	(12.5)
Acquisitions	(3.6)	(50.3)	(3.6)	(65.3)
Release of restricted cash/(Restricted cash from acquisition of subsidiaries)	4.9	(8.0)	4.9	(8.0)
Proceed from disposal of a subsidiary	-	3.6	-	3.6
Proceeds/(repayment) of borrowings, net	3.0	67.8	(11.4)	67.0
Payment of lease liabilities	(3.0)	(1.7)	(6.6)	(3.1)
Purchase of treasury shares	-	-	-	(2.1)
Dividends	(14.1)	(6.3)	(14.1)	(14.0)
Net effect of FX on cash	(0.8)	(0.2)	0.4	(0.9)
Cash and bank balances at end of the financial period	49.4	50.6	49.4	50.6
Cash and bank balances comprise of:-				
Cash and cash equivalents	49.4	50.6	49.4	50.6
Restricted cash	3.1	8.0	3.1	8.0
	52.5	58.6	52.5	58.6

Note: Total may not sum up due to rounding.

# FY 2020 Order Intake/Book By Geographical Segments



# Order Intake By Geographical Segment – Quarterly Trends

S\$ million	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>Americas</b>	66.1	47.0	50.6	82.6	185.1	113.4	55.6	61.5
<b>EMEA</b>	0.7	0.8	0.4	4.8	0.9	1.2	2.3	(0.5)
<b>Asia Pacific</b>	31.5	43.3	63.9	39.8	44.1	41.5	48.0	25.8
<b>Total</b>	<b>98.4</b>	<b>91.0</b>	<b>114.9</b>	<b>127.2</b>	<b>230.1</b>	<b>156.1</b>	<b>105.9</b>	<b>86.8</b>

Note: Total may not sum up due to rounding.

# Order Intake By Industry – Quarterly Trends

S\$ million	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>Oil &amp; Gas</b>	63.0	48.4	53.8	87.9	189.8	117.0	60.2	65.1
<b>Infrastructure</b>	25.3	30.3	38.2	25.5	24.2	25.1	31.9	17.1
<b>Mining &amp; Mineral</b>	10.0	12.3	22.8	13.9	16.0	14.0	13.8	4.5
<b>Total</b>	<b>98.4</b>	<b>91.0</b>	<b>114.9</b>	<b>127.2</b>	<b>230.1</b>	<b>156.1</b>	<b>105.9</b>	<b>86.8</b>

Note: Total may not sum up due to rounding.

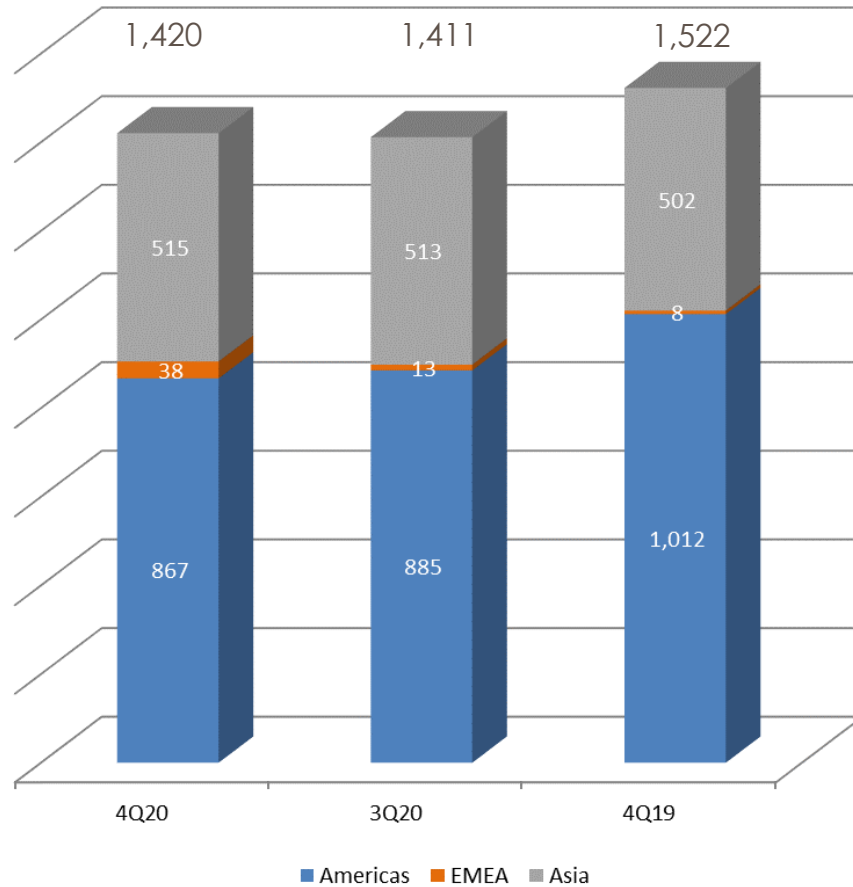
# Order Book By Industry Segments

S\$ million	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
<b>Oil &amp; Gas</b>	97.7	118.5	144.9	173.1	182.9	95.4	49.2	52.0
<b>Infrastructure</b>	120.7	127.7	125.6	114.1	112.9	126.6	131.1	126.5
<b>Mining &amp; Mineral</b>	17.6	20.7	23.4	15.5	11.6	10.7	7.3	2.9
<b>Total</b>	<b>236.0</b>	<b>267.0</b>	<b>293.8</b>	<b>302.7</b>	<b>307.3</b>	<b>232.6</b>	<b>187.6</b>	<b>181.4</b>

Note: Total may not sum up due to rounding.



# Human Resources Allocation





# 3 Appendices

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# FX Movement

	2H20	2H19	Change (%)	FY20	FY19	Change (%)
<b>USD/SGD</b>	1.3670	1.3706	-0.26%	1.3810	1.3655	1.14%
<b>GBP/SGD</b>	1.7731	1.7171	3.26%	1.7707	1.7393	1.80%
<b>AUD/SGD</b>	0.9774	0.9371	4.30%	0.9482	0.9503	-0.22%

# Constant Currency Figures

S\$ million	2H20	2H19	Change (%)	2H20 Constant Currency	Change (%)
<b>Revenue</b>	247.2	268.0	-7.8%	244.8	-8.7%
<b>PATMI</b>	12.9	13.8	-6.7%	12.7	-8.0%

S\$ million	FY20	FY19	Change (%)	FY20 Constant Currency	Change (%)
<b>Revenue</b>	502.8	451.8	11.3%	499.4	10.5%
<b>PATMI</b>	28.0	24.1	16.4%	27.9	15.9%

The background of the slide is a semi-transparent red overlay on a futuristic control room. In the center, a large globe is surrounded by several data screens displaying various charts and graphs. The room features a large circular table with several office chairs around it. The overall aesthetic is high-tech and professional.

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Questions & Answers