

## **Press Release – Full Year 2016 Results**

# **CSE records net profit of S\$21.2m in FY16, generates strong operating cashflow of S\$58.4m**

### **Key Highlights:**

- **Net profit of S\$21.2m in FY16**
- **Strong operating cashflow generation of S\$58.4m in FY16**
- **Net cash position strengthened to S\$70.2m**
- **Order book of S\$163.1m**
- **Proposed final dividend totalling 1.5 cents per share**

**Singapore, 23 February 2017 – CSE Global Limited** (“CSE” or the “Group”) announced today its financial results for the year ended 31 December 2016. The Group reported that its full year net profit after tax and non-controlling interests was 32.1% lower year-on-year at S\$21.2 million, on the back of revenue of S\$317.8 million, amid the difficult business and operating environment.

The Group’s revenues from continuing operations decreased moderately by 22.9% to S\$317.8 million, driven mainly by lower revenues in the Americas and Europe/Middle East/Africa regions. In line with revenue, gross profits also decreased by 14.8% to S\$100.7 million in FY16, supported by improved gross margins. Gross profit margins improved from 28.7% in FY15 to 31.7% in FY16.

Operating expenses were 5.7% lower at S\$73.7 million in FY2016 as compared to FY2015. The operating expenses in FY2016 included transaction expenses relating to new acquisitions of S\$0.7 million, expenses of newly acquired businesses of S\$5.4 million, higher amortization expenses on intangibles assets arising from purchase price allocation for new acquisitions of S\$0.8 million and restructuring costs of S\$0.1 million, offsetted by lower provisions on doubtful debts of S\$0.4 million. On a normalized basis, operating expenses in FY2016 would have decreased by 15.1% year-on-year.

The basic earnings per ordinary share was 4.11 cents in FY16 as compared to the basic earnings per ordinary share in FY15 of 6.60 cents.

In FY2016, the Group generated a strong operating cash inflow of S\$58.4 million. The Group ended the period with a net cash position of S\$70.2 million, significantly improved from S\$54.2 million in FY15. “We are pleased to note that our cashflow generation was strong in 2016. The Group’s current financial position puts us in a good position to seize the growth opportunities going forward.” said Eddie Foo, Group CFO of CSE.

In 2016, the Group continues to receive new orders from greenfield and brownfield projects, totalling S\$286.6 million. As at end of 2016, order book decreased to S\$163.1 million.



Mr Lim Boon Kheng, Group MD of CSE, said, “Despite challenging operating conditions in the past year, our resilient business model has enabled us to deliver a set of sound financial results. Going forward, we will continue to take a prudent and focused approach to achieving our long term strategic priorities.”

On the outlook, Mr Lim added, “The Group anticipates that the challenging operating conditions will continue to put pressure on its profitability going forward. The Group expects an improved performance for its mining and infrastructure segments for FY2017 compared to FY2016. Notwithstanding the anticipated extended global downturn in the oil/gas segment, the Group will continue to diversify into the midstream and downstream business as well as to expand into new shale formations in the US region to sustain its revenue base. The Group expects a weaker performance in 1Q17 due to delays in several projects to the first half of 2017. Despite an anticipated weaker 1Q17 performance, we believe the overall businesses of our major subsidiaries should remain resilient and we expect that the performance of the Group in FY2017 to be similar to FY2016.”

To reward shareholders, the Board of Directors will be proposing a final dividend (1-tier tax-exempt) of 1.5 Singapore cents per ordinary share. Together with the interim cash dividend of 1.25 Singapore cents per ordinary share distributed last September, CSE will be paying out a total cash dividend of 2.75 Singapore cents per ordinary share for the financial year ended 31 December 2016. CSE intends to maintain the same dividend distribution for FY2017.

###end of release###

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**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 1,000 employees worldwide, and operates a network of 36 offices across the globe, generating more than 95 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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