

Press Release – First Quarter 2017 Results

CSE records strong orders of S\$117.9 million in 1Q17

1Q17 Key Highlights:

- **Order intake grew by 57.3% to S\$117.9 million**
- **Order book increased to S\$204.2 million**
- **Positive operating cashflow generation of S\$1.3 million**
- **Remained in a strong net cash position of S\$55.8 million**

Singapore, 11 May 2017 – CSE Global Limited (“CSE” or the “Group”) announced today its financial results for the three months ended 31 March 2017 (“1Q17”). The Group recorded net profit after tax and non-controlling interests from continuing operations of S\$3.0 million, on the back of revenue of S\$74.5 million, amid the difficult business and operating environment.

In line with the oil and gas sector downturn, revenue and gross profit for 1Q17 declined by 11.5% and 9.7% respectively from the same corresponding period a year ago. The lower revenues in 1Q17 were mainly driven by lower revenues achieved in the Americas and Europe/Middle East/Africa (EMEA) regions, mainly a result of delays in orders, particularly in the oil and gas sector. Gross margins remained stable at 29.2% in 1Q17. In line with the lower revenues, gross profit was 9.7% lower at S\$21.7 million.

Operating expenses were 1.2% higher at S\$18.0 million in 1Q17 as compared to 1Q16, mainly due to lower labour cost recovery to projects as a result of lower revenues achieved in 1Q17.

Consequently, profit after tax and non-controlling interest decreased by 45.5% year-on-year to S\$3.0 million.

The basic earnings per ordinary share was 0.58 cents in 1Q17 as compared to 1.07 cents in 1Q16.

In 1Q17, the Group secured two major deepwater offshore oil and gas projects in the Gulf of Mexico valued at approximately S\$42 million, bringing the total order intake for the quarter to S\$117.9 million, registering a growth of 57.3% year-on-year. The Group ended the quarter with an outstanding order book of S\$204.2 million.

The Group generated an operating cash inflow of S\$1.3 million in 1Q17. During the quarter, the Group acquired the businesses and assets of Combined Communications and Gulf Coast Power & Control for a combined consideration of S\$8.2 million. The Group ended the quarter with a net cash position of S\$55.8 million, as compared to S\$70.2 million as at 31 December 2016.



Mr Lim Boon Kheng, Group MD of CSE, said, “Conditions in the industry sectors which the Group operates remain challenging. Our 1Q17 results were in line with our earlier forecasts, given the delays in award of orders in the oil and gas sector. However, on a positive note, we are encouraged that our Americas region has secured two large deepwater offshore projects in the Gulf of Mexico in 1Q17, which will lift our future performance once these orders are delivered.”

On the outlook, Mr Lim added, “Though the Group has secured some orders in 1Q17, the Group expects that the oil and gas industry will not see significant recovery for the rest of the year. CSE expects its performance to continue to be lacklustre in the next quarter. However, it expects to improve on its performance in 2H2017. For FY2017, CSE will continue to be profitable with a net cash position at the end of the year. CSE will focus on integrating and consolidating the new acquisitions, and will continue to explore acquisition opportunities to support its long term sustainable growth objectives.”

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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 39 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.

For more information, please log onto: <http://www.cse-global.com>