



**CSE**

# 3Q2023 Interim Business Update

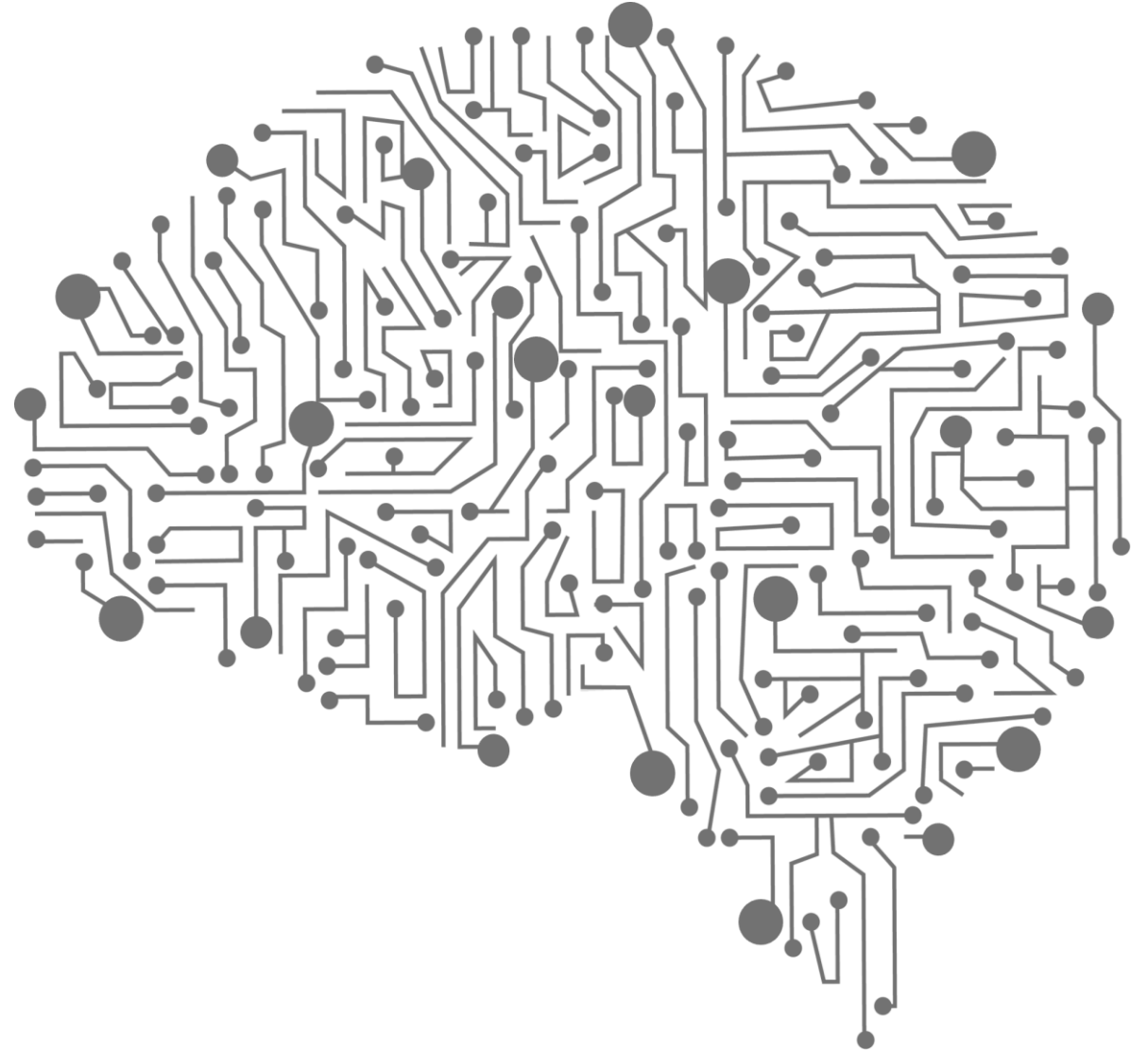
9 November 2023

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- 1 **3Q2023 Financial Performance**
- 2 **Business Overview**
- 3 **FY2023 Key Strategies**
- 4 **FY2023 Outlook**



# Financial Performance in 3Q2023

- **Revenue: +S\$44.3m (+31.4% yoy)** mainly due to:
  - Communications: +S\$16.9m (+44.3% yoy) from recent acquisitions
  - Electrification: +S\$27.4m (+46.7% yoy) as a result of more project revenues recognized for the Infrastructure sector in USA
- **Order intake: +S\$136.7m (+82.9%)** attributed to:
  - Communications: +S\$27.4m (+73.2%):
    - a contract for the supply, installation, integration and maintenance of communication and security systems by the Singapore Government
    - new orders from recent acquisitions
  - Electrification: +S\$103.3m (+122.0%)
    - major electrification projects secured that were announced on 1 August 2023 and 17 August 2023 which included the design and manufacturing of power distribution centres and integration of electrical and control systems and equipment USA
  - Automation: +S\$6.0m (+14.0%)
    - a multi-year maintenance contract awarded by the Singapore Government
- **Robust order book of S\$638.0m vs S\$412.8m in September 2022**

## Revenue

**S\$185.4m**

▲ 31.4%

## Order Intake

**S\$301.6m**

▲ 82.9%

## Order Book

**S\$638.0m**

▲ 54.6%

# Financial Performance in 9M2023

- **Revenue: +S\$131.4m (+32.6% yoy)** mainly due to:
  - Communications: +S\$50.7m (+45.4% yoy) from recent acquisitions
  - Electrification: +S\$86.5m (+53.1% yoy) as a result of more project revenues recognized for the Infrastructure sector in USA
- **Order intake: +S\$106.0m (+18.1%)** attributed to:
  - Communications: +S\$77.5m (+68.0%):
    - new orders from recent acquisitions
    - a contract for the supply, installation, integration and maintenance of communication and security systems by the Singapore Government
  - Electrification: +S\$88.5m (+32.3%)
    - major electrification projects secured that were announced on 1 August 2023 and 17 August 2023 which included the design and manufacturing of power distribution centres and integration of electrical and control systems and equipment USA
- **Robust order book of S\$638.0m vs S\$412.8m in September 2022**

## Revenue

**S\$534.7m**

▲ 32.6%

## Order Intake

**S\$692.6m**

▲ 18.1%

## Order Book

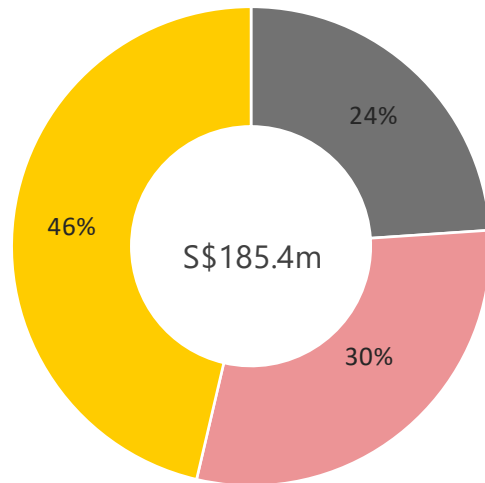
**S\$638.0m**

▲ 54.6%

# 3Q2023: Revenue Breakdown By Business

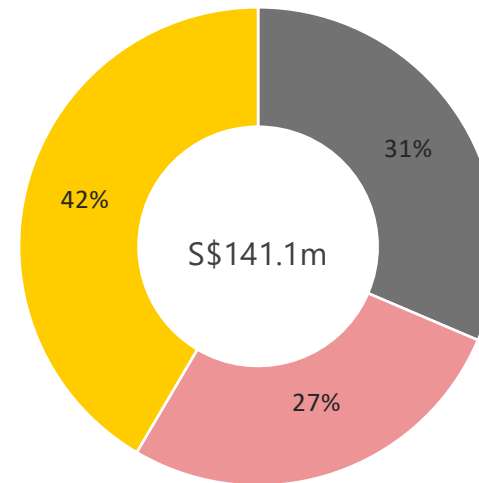
S\$ million	3Q2023	3Q2022	YoY %
Automation	44.4	44.3	0.1%
Communications	55.1	38.2	44.3%
Electrification	85.9	58.6	46.7%
<b>Total</b>	<b>185.4</b>	<b>141.1</b>	<b>31.4%</b>

3Q2023



■ Automation ■ Communications ■ Electrification

3Q2022

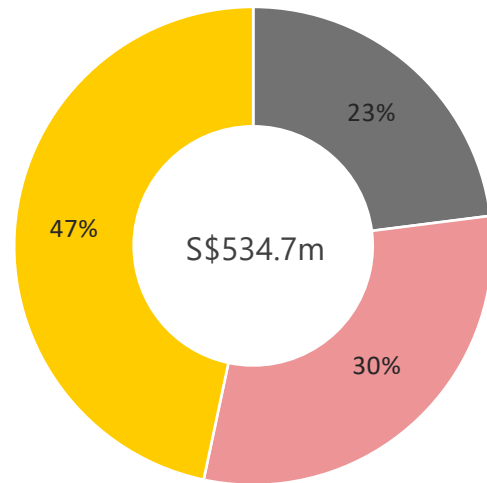


■ Automation ■ Communications ■ Electrification

# 9M2023: Revenue Breakdown By Business

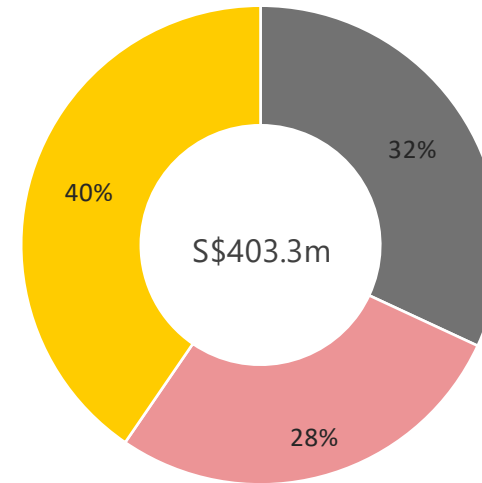
S\$ million	9M2023	9M2022	YoY %
Automation	122.9	128.7	-4.5%
Communications	162.2	111.5	45.4%
Electrification	249.6	163.1	53.1%
<b>Total</b>	<b>534.7</b>	<b>403.3</b>	<b>32.6%</b>

9M2023



■ Automation ■ Communications ■ Electrification

9M2022

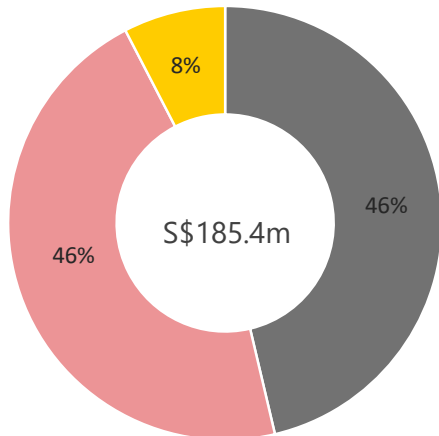


■ Automation ■ Communications ■ Electrification

# 3Q2023: Revenue Breakdown By Industry

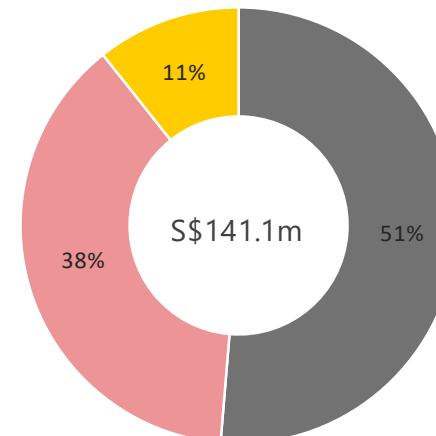
S\$ million	3Q2023	3Q2022	YoY %
Energy	85.9	72.4	18.6%
Infrastructure	85.4	53.6	59.4%
Mining & Minerals	14.1	15.1	-6.5%
<b>Total</b>	<b>185.4</b>	<b>141.1</b>	<b>31.4%</b>

3Q2023



■ Energy ■ Infrastructure ■ Mining & Minerals

3Q2022



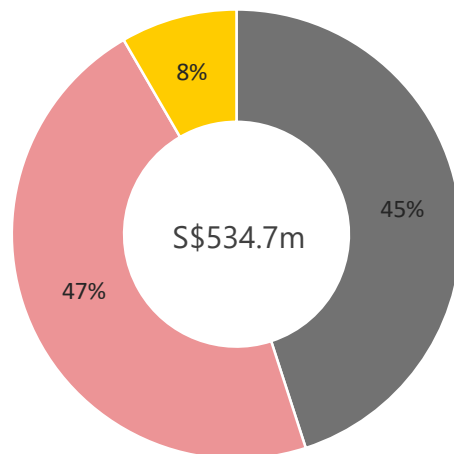
■ Energy ■ Infrastructure ■ Mining & Minerals



# 9M2023: Revenue Breakdown By Industry

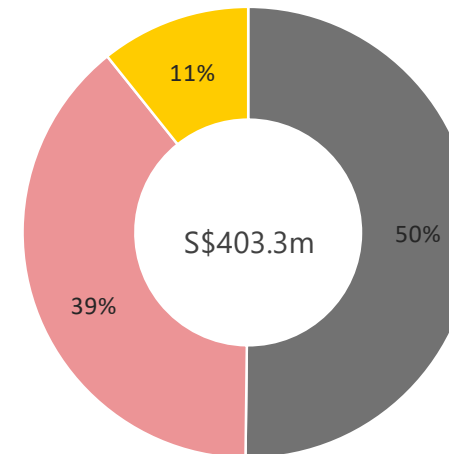
S\$ million	9M2023	9M2022	YoY %
Energy	240.7	202.4	18.9%
Infrastructure	249.2	157.5	58.2%
Mining & Minerals	44.8	43.3	3.4%
<b>Total</b>	<b>534.7</b>	<b>403.3</b>	<b>32.6%</b>

9M2023



■ Energy ■ Infrastructure ■ Mining & Minerals

9M2022

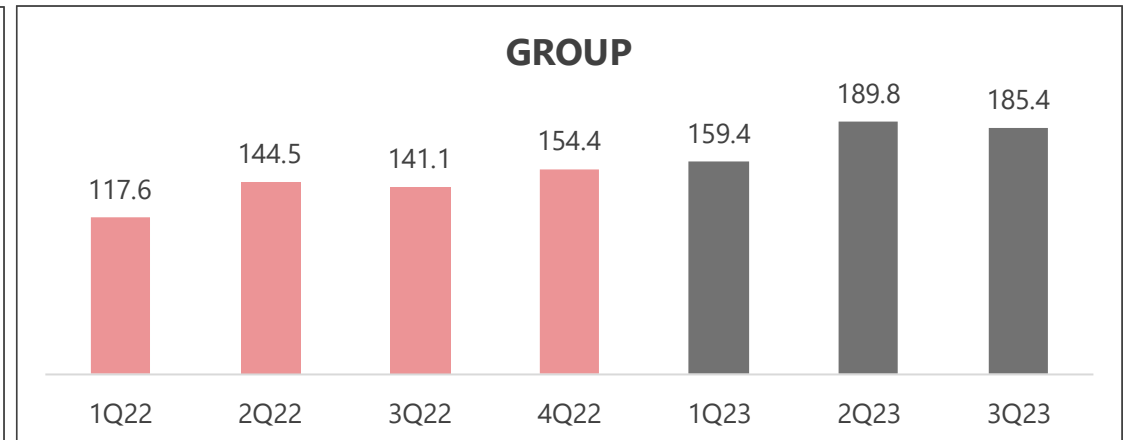
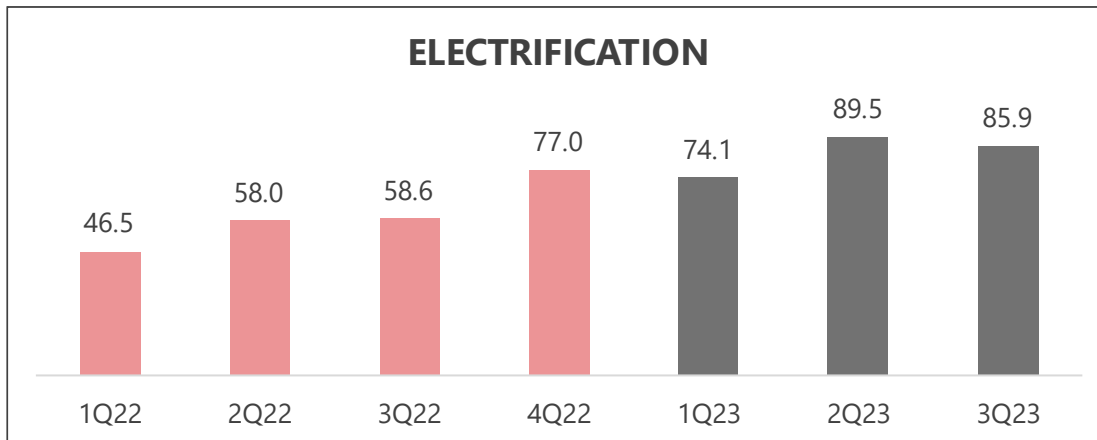
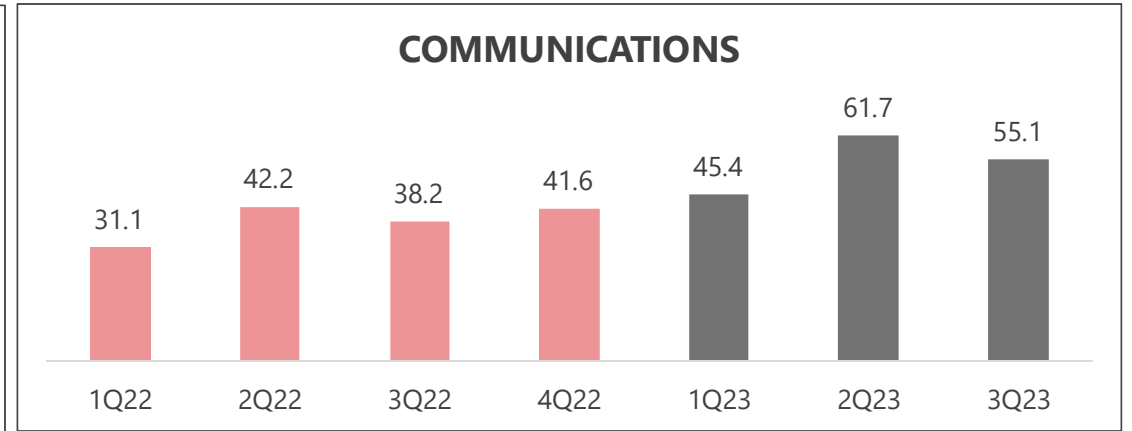
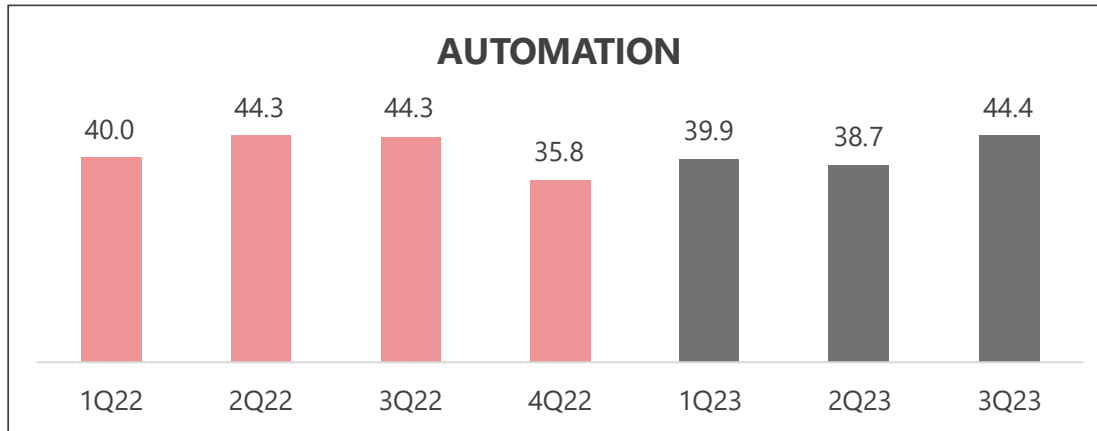


■ Energy ■ Infrastructure ■ Mining & Minerals

# Quarterly Revenue Trends

## By Business, Q-o-Q

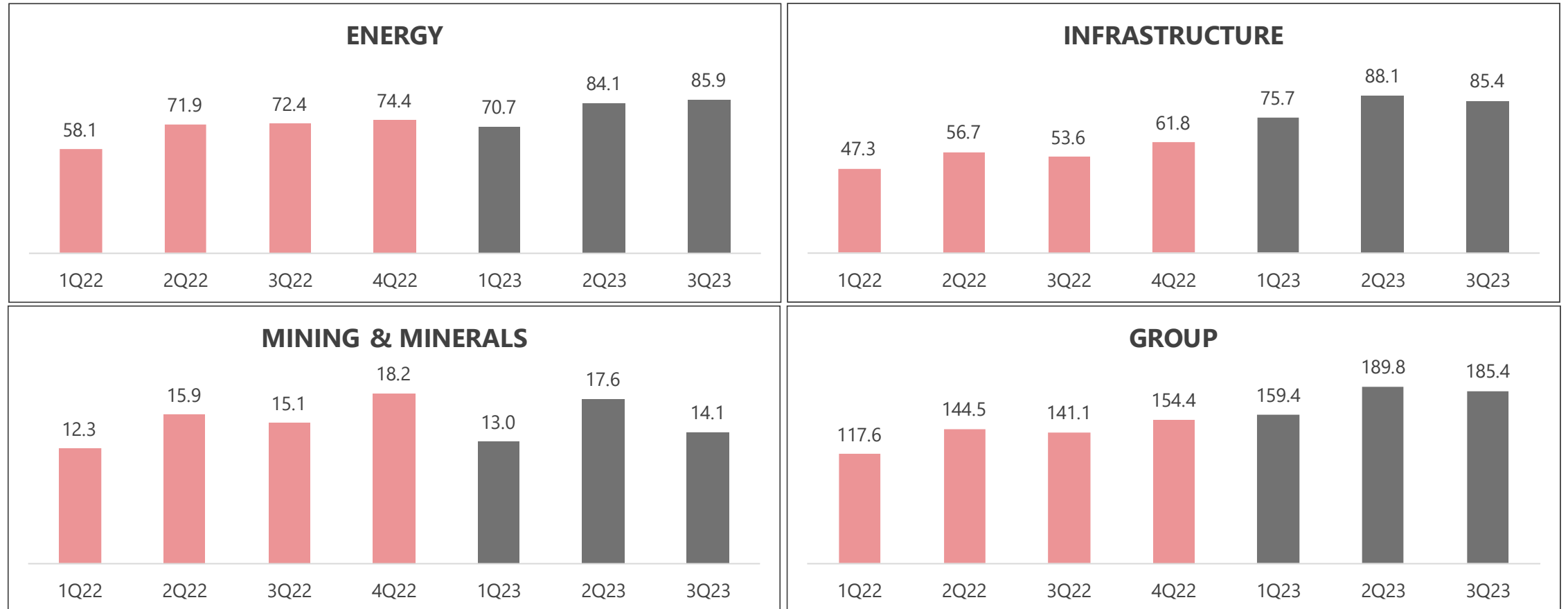
(S\$ million)



# Quarterly Revenue Trends

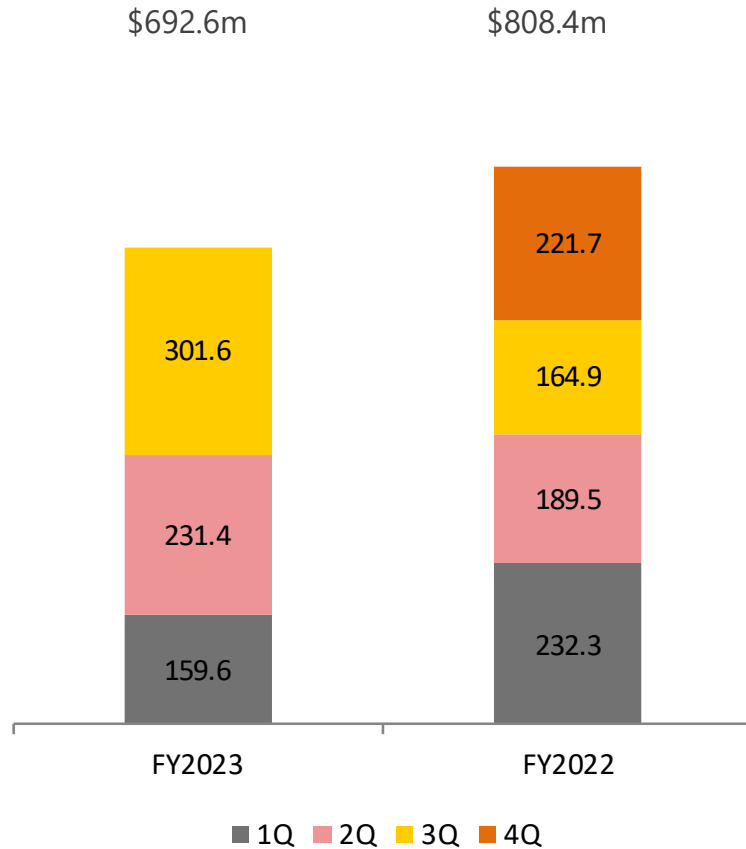
## By Industry, Q-o-Q

(S\$ million)

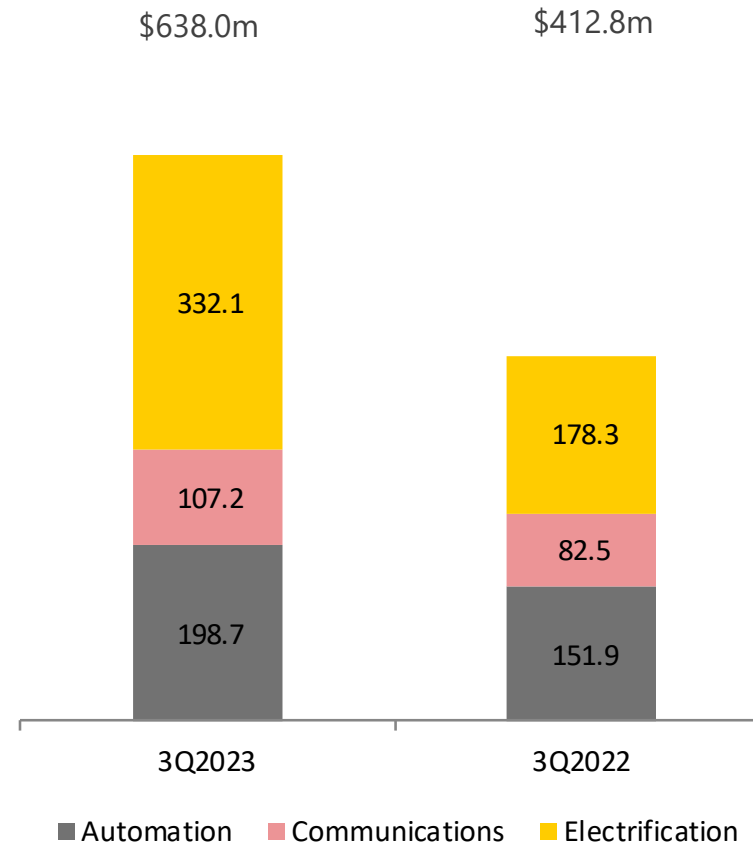


# FY2023 Order Intake/Book By Business Segments

## Order Intake from Continuing Operations



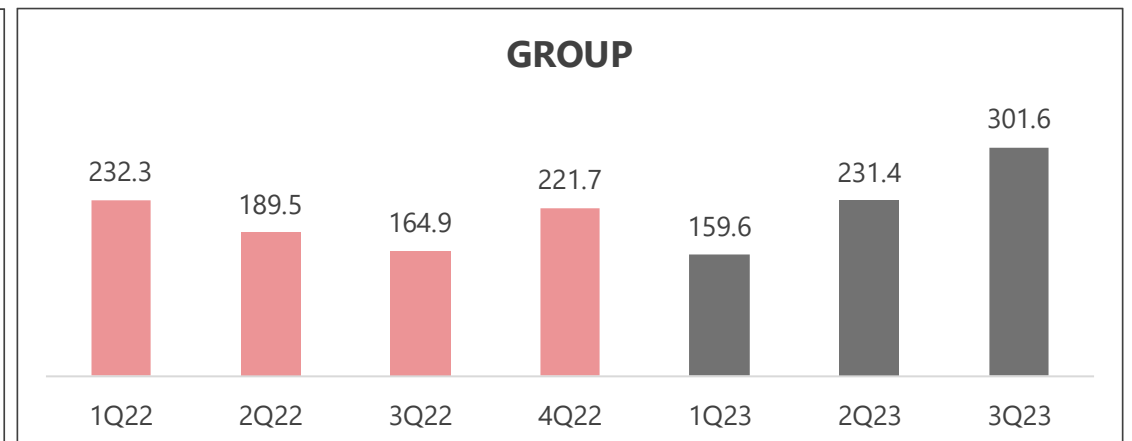
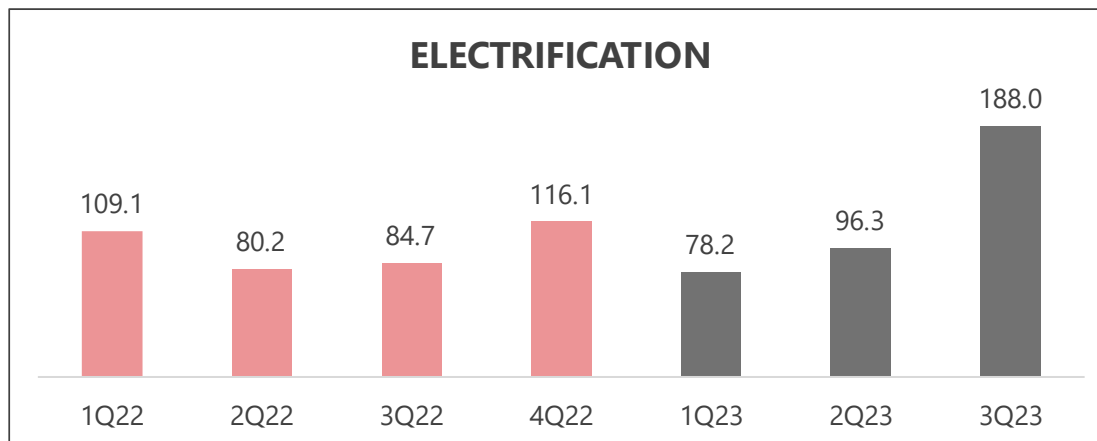
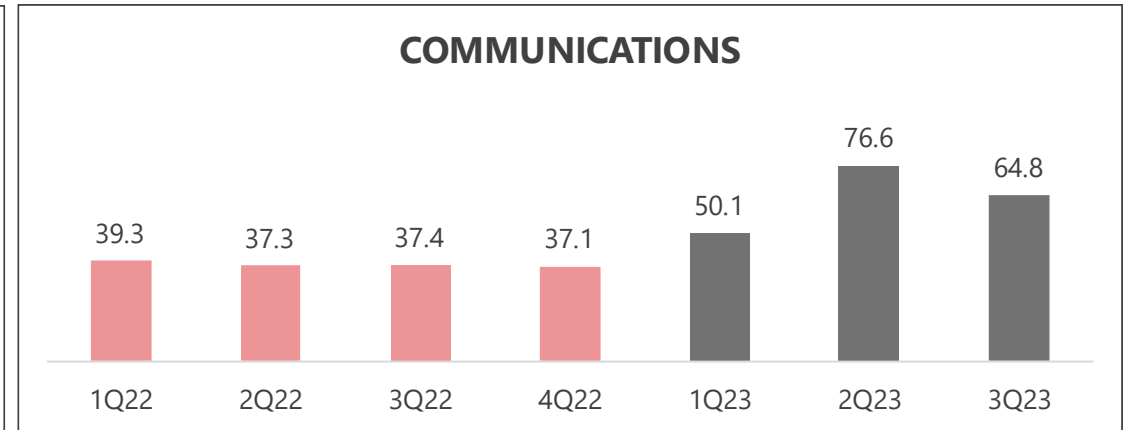
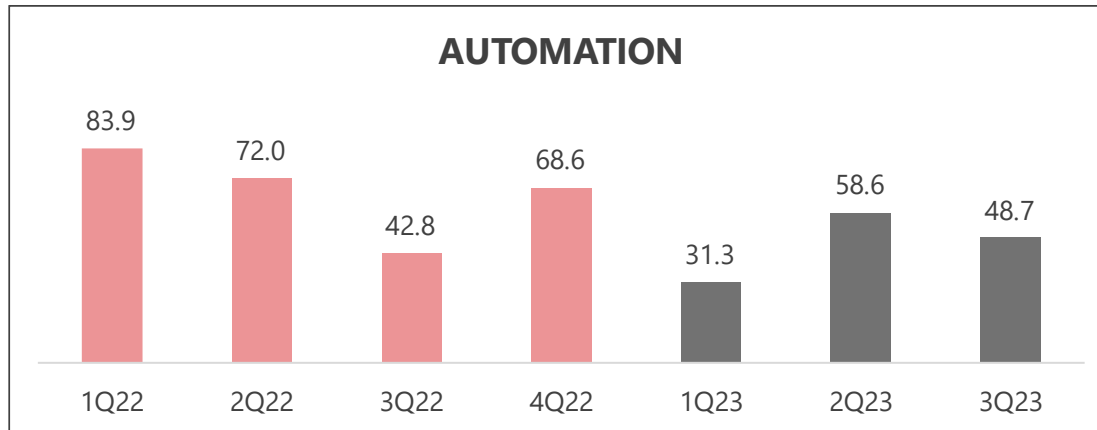
## Order Book from Continuing Operations



# Order Intake

## By Business, Q-o-Q

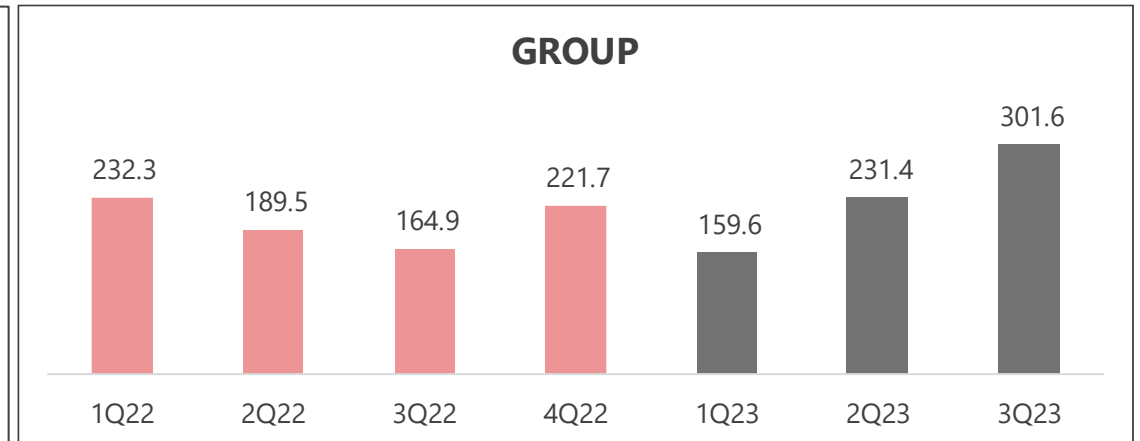
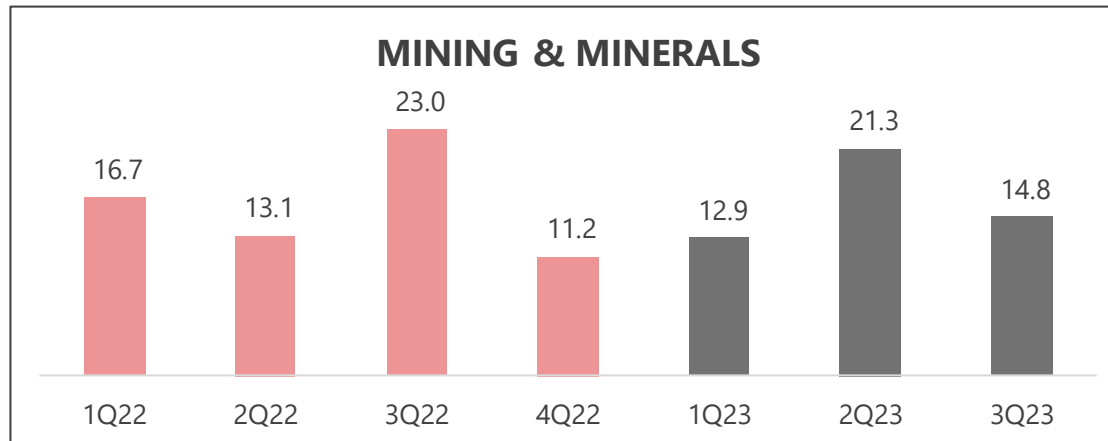
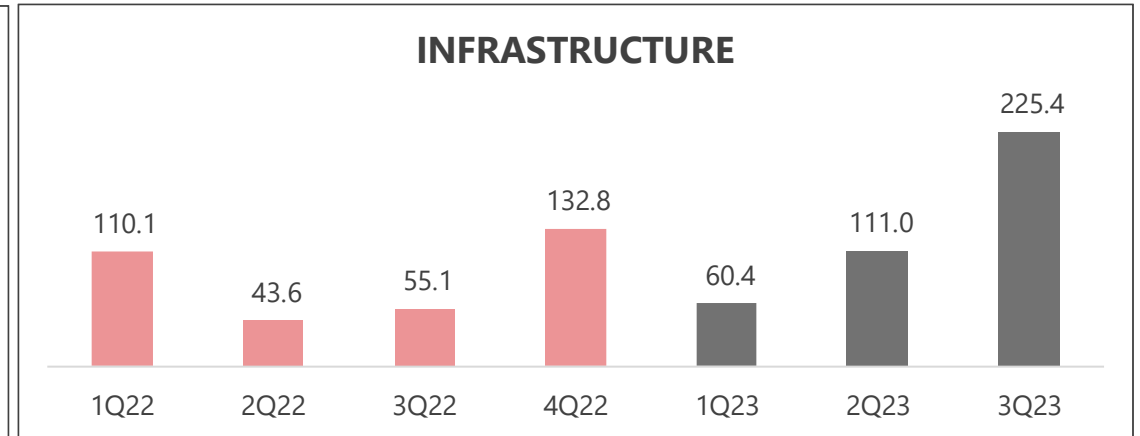
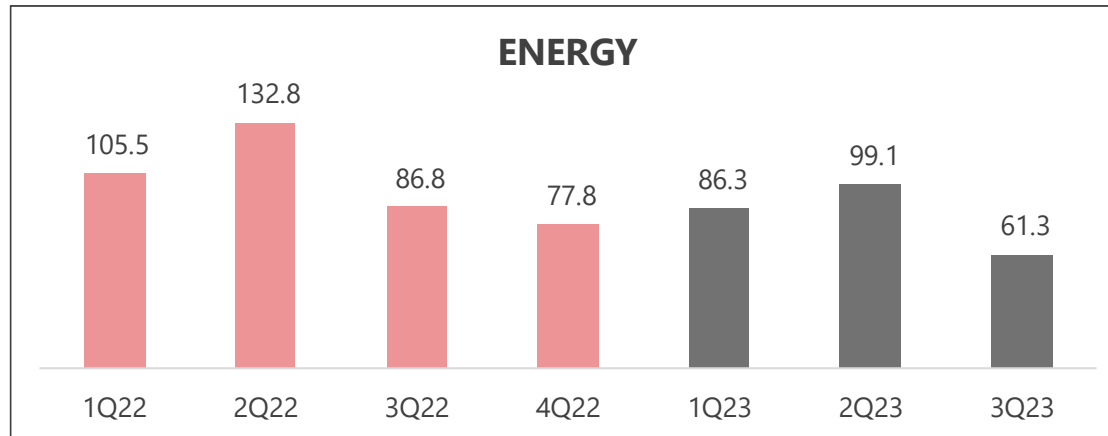
(\$ million)



# Order Intake

## By Industry, Q-o-Q

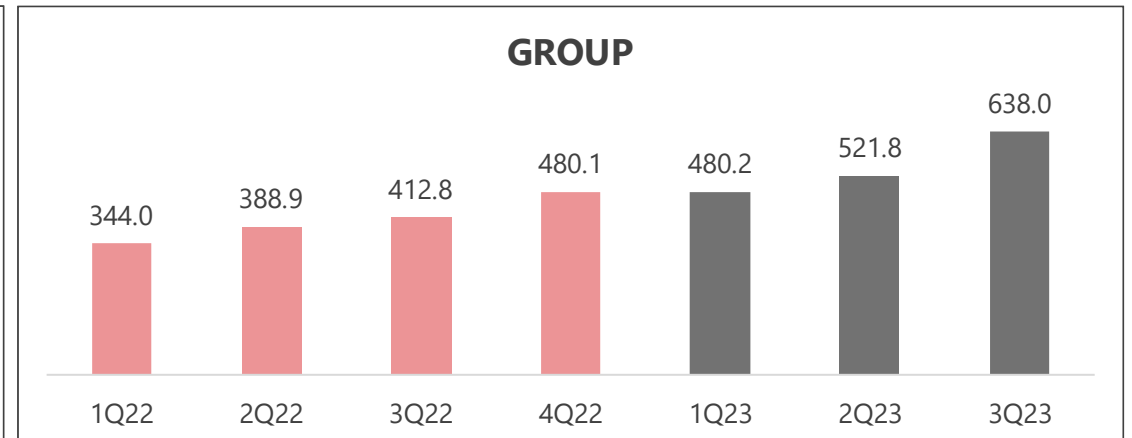
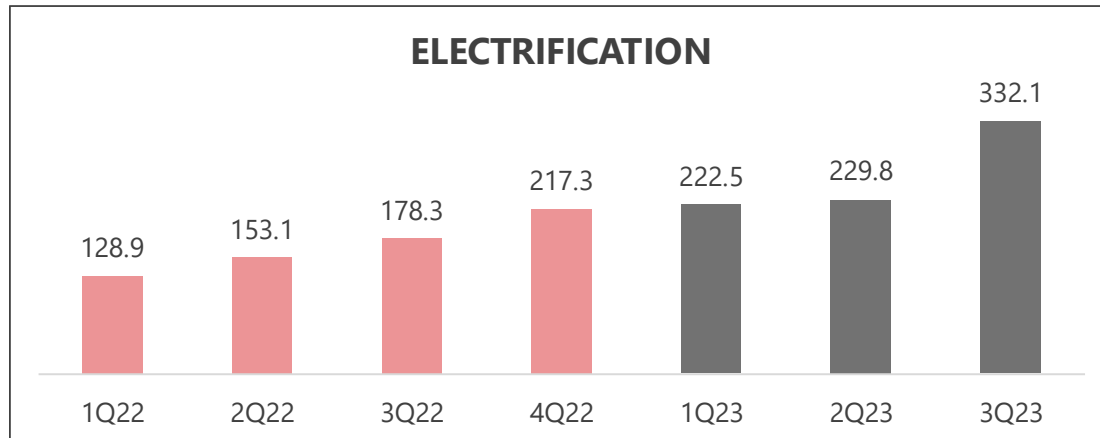
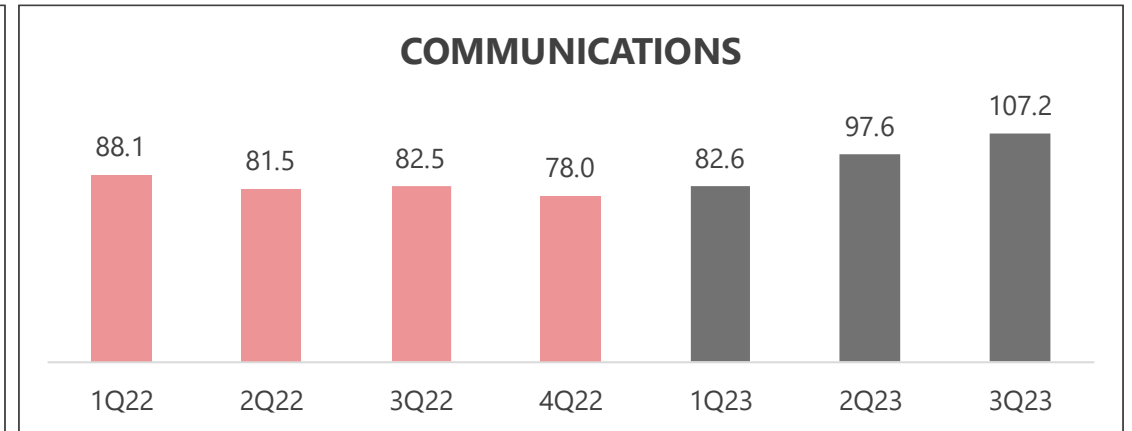
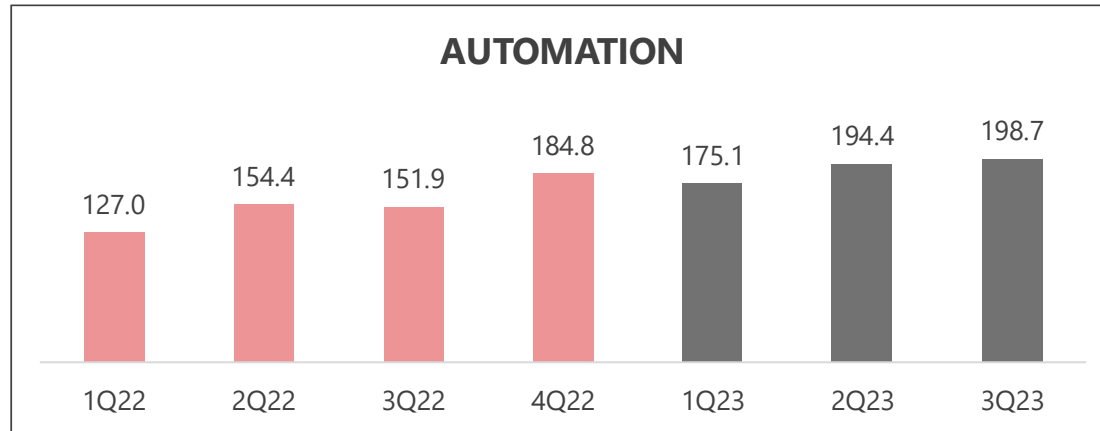
(\$ million)



# Order Book

## By Business, Q-o-Q

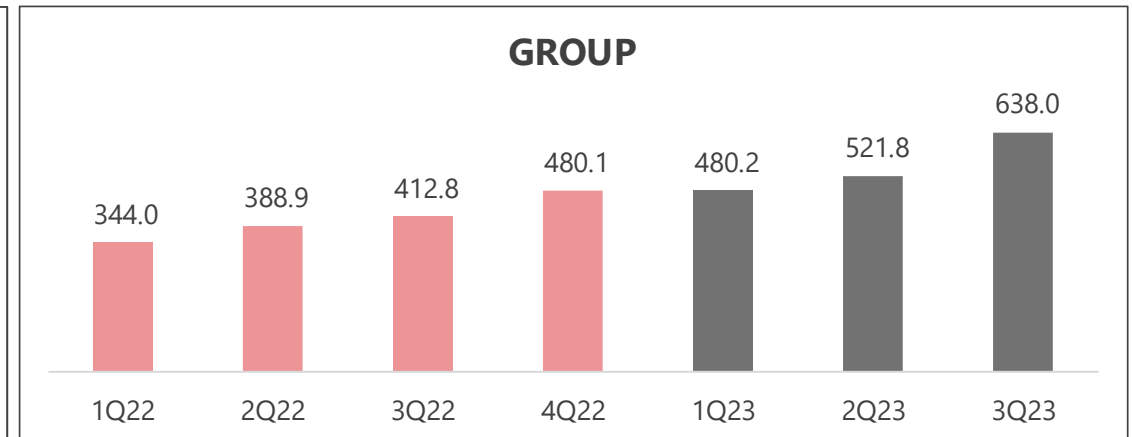
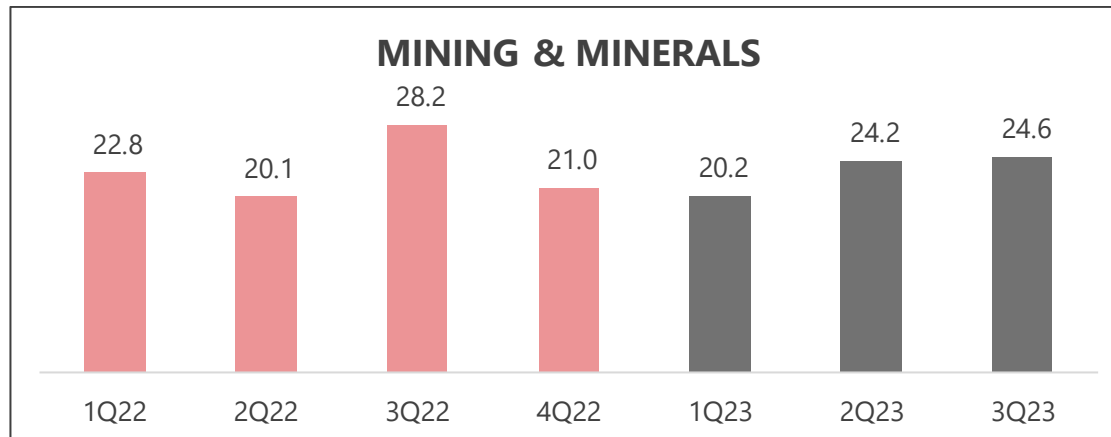
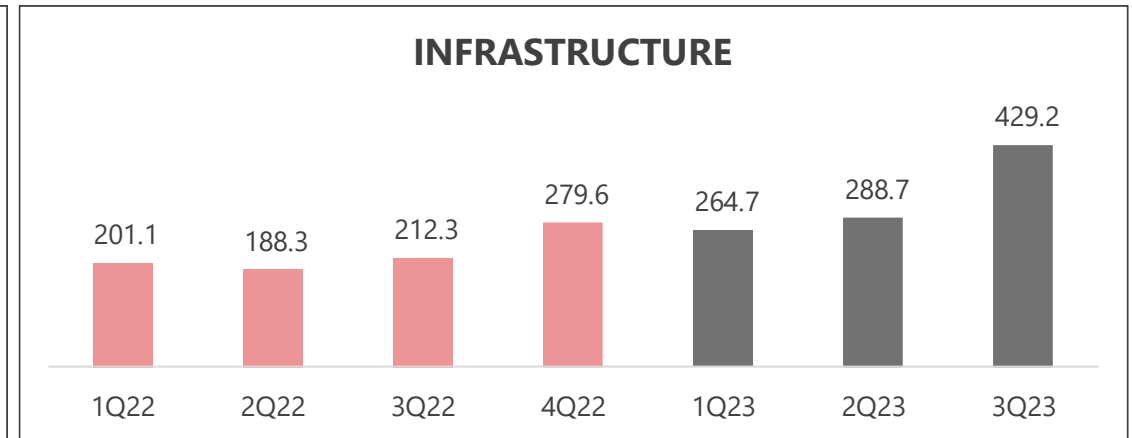
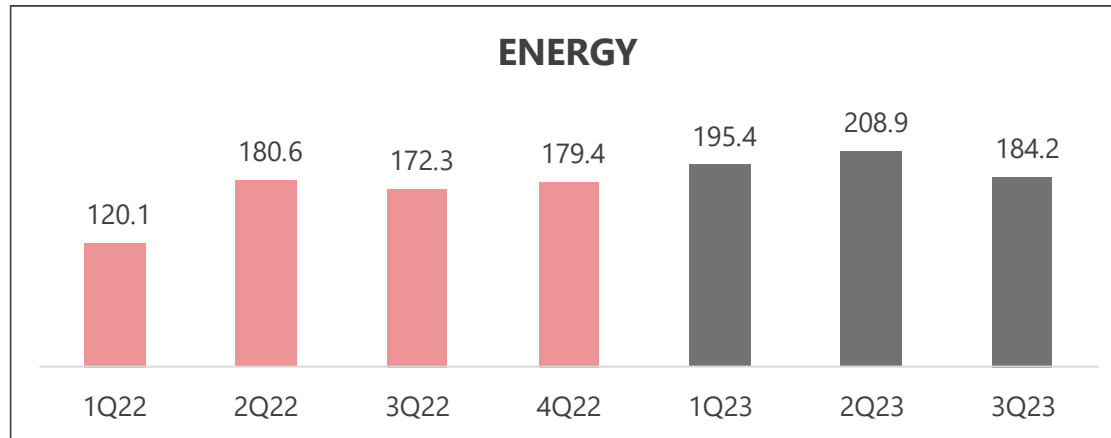
(S\$ million)



# Order Book

## By Industry, Q-o-Q

(S\$ million)





# Business Overview

- 3Q2023 – stable quarter
- The Americas region returns to profitability
- New order intake increased by 82.9% to S\$301.6 million in 3Q2023
- YTD New order intake – S\$692.6m, Oct announcement – S\$150.6m. On track a record S\$1B year.
- Infrastructure and Mining & Minerals revenues contribute to more than 50% of revenue

# Order Intake and Order Book by Business Segments

	Order Intake			Order Book		
S\$ million	9M2023	9M2022	YoY%	9M2023	9M2022	YoY%
Automation	138.6	198.7	-30.2%	198.7	151.9	30.8%
Communications	191.5	114.0	68.0%	107.2	82.5	29.9%
Electrification	362.5	274.0	32.3%	332.1	178.3	86.2%
<b>Total</b>	<b>692.6</b>	<b>586.6</b>	<b>18.1%</b>	<b>638.0</b>	<b>412.8</b>	<b>54.6%</b>

# Order Intake and Order Book by Industry Segments

	Order Intake			Order Book		
S\$ million	9M2023	9M2022	YoY%	9M2023	9M2022	YoY%
Energy	246.7	325.1	-24.1%	184.2	172.3	6.9%
Infrastructure	396.9	208.8	90.1%	429.2	212.3	102.2%
Mining & Minerals	49.0	52.8	-7.2%	24.6	28.2	-12.9%
<b>Total</b>	<b>692.6</b>	<b>586.6</b>	<b>18.1%</b>	<b>638.0</b>	<b>412.8</b>	<b>54.6%</b>

A decorative background pattern of a grid of squares in various shades of gray, arranged in a perspective that recedes towards the right. A dark gray horizontal bar is positioned at the bottom of the page, containing the text.

# Growth Strategy

# Growth Drivers – Emerging Megatrends

## Urbanisation



- Currently, 56% of the world's population (4.4 billion) live in cities.
- According to The World Bank<sup>(1)</sup>, this figure is expected to be more than doubled by 2050.

## Electrification



- Process of substituting fossil-fuel sources of power with electricity generated from renewable energy sources (One of the most important strategy for reducing CO<sub>2</sub> emissions).
- According to Precedence Research<sup>(2)</sup>, the Global Electrification Market will reach a size of US\$172.9 billion by 2032, growing at a CAGR of almost 9% between 2023 and 2032.

## Decarbonisation



- Process of removal or reduction of CO<sub>2</sub> output into the atmosphere.
- Plays a very important role in limiting global warming.
- According to Deloitte<sup>(3)</sup>, decarbonisation requires a fundamentally different energy system, such as alternative energy sources based on green electricity and green molecules.

<sup>(1)</sup> The World Bank, April 2023 – Urban Development

<sup>(2)</sup> Precedence Research, March 2023 - Electrification Market

<sup>(3)</sup> Deloitte Article – What is decarbonisation?

# Growth Strategy – Diversification and Expansion

## Diversification into new markets brought about by emerging trends

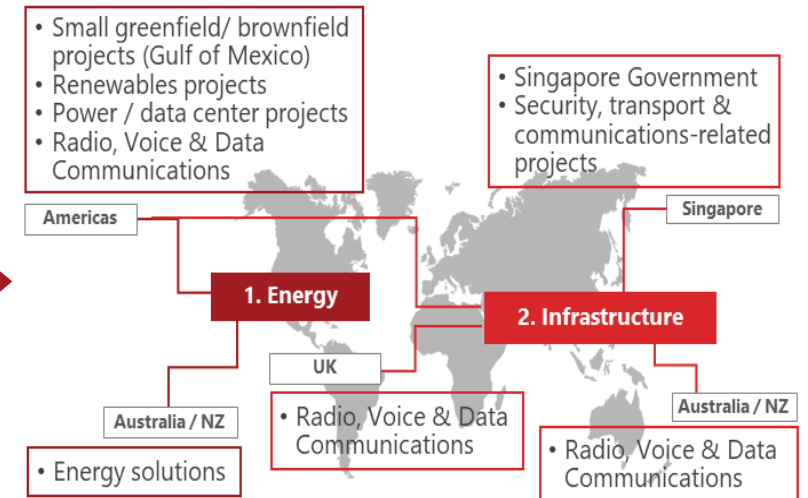


- Increasing demand for key products such as:
  - ✓ Power systems protection and control solutions
  - ✓ Critical communications
  - ✓ Wind and Solar Systems
  - ✓ Battery energy storage systems
  - ✓ Electric-vehicle charging infrastructure

Diversification

Expansion

## Expansion of engineering capabilities in key markets



- Acquisition remains a key growth strategy
- Focus areas will be in complementary and adjacent capabilities:
  - Energy and Infrastructure segments
  - USA, Europe and Australia/New Zealand
- Will acquire within means, whenever suitable opportunities arise



# Growth Plans - Critical Communications

## Our Solutions

- Private network
- Provides push-to-talk (PTT) and public switch telephone network (PSTN) using tetra radio/LTE network

## Where we are today:

- UK
- USA
- Australia & New Zealand
- Singapore

## Where we want to be:

- Operate globally
- Expand into USA



# FY2023 Outlook



The current global economic outlook and inflationary pressures continue to present uncertainties in the markets we operate. In the coming quarters, our existing and new customers will continue to support and award us a steady flow of small greenfield and brownfield maintenance projects. This together with the receipt of 2 major contracts totalling S\$150.6 million announced on 17 October 2023 will enable CSE to strengthen its order book for the rest of 2023 and beyond.

With an order book of S\$638.0 million as at 30 September 2023 compared with S\$480.1 million as at 31 December 2022, coupled with a positive turnaround in financial performance in the Americas region, CSE is well positioned to achieve a much better financial performance in 2023.

Going forward, we will expand our engineering capabilities and technology solutions in the areas of automation, electrification and critical communications, to pursue new market opportunities and diversify into new markets brought about by the emerging trends towards growing population in urban areas, thus propelling demand for electrification and decarbonization infrastructure.





**CSE**

**Q&A**