



2Q/1H 2015 Results Briefing

CSE Global Limited

Fullerton Hotel
13 August 2015

Agenda

1. 2Q/1H 2015 Financial Overview
2. Business Overview and Outlook
3. Interim Dividend
4. Q & A

2Q/1H 2015 Financial Review

2Q 2015 Financial Overview

- Revenue increased by 3.8%, as compared to 2Q14
- Operating PATMI of S\$8.1m compared to S\$8.0m in 2Q14
- Gross margins decreased from 29.2% in 2Q14 to 26.6% in 2Q15
- PATMI of S\$9.9m compared to S\$8.0m in 2Q14, mainly from gain on disposal of Power Diesel of S\$1.8m
- Operating cash outflow of S\$12.9m in 2Q15 v -S\$15.8m in 2Q14
- New orders in 2Q15 totalling S\$97.4m, +2.2% vs in 2Q14
- Order book of S\$237.8m at end of 2Q15, a 22.1% increase over 2Q14
- EPS up 23.1% to 1.92 cents per share
- Return on Equity 17.9% annualised
- Net Cash of S\$7.1m at the end of 2Q15, as compared to Net Cash of S\$11.4m at the end of 2Q14

1H 2015 Financial Overview

- Revenue increased by 8.2%, as compared to 1H14
- Operating PATMI of S\$15.7m compared to S\$15.6m in 1H14
- Gross margins decreased moderately from 28.4% in 1H14 to 27.5% in 1H15
- PATMI of S\$17.5m compared to S\$15.6m in 1H14, mainly from gain on disposal of Power Diesel of S\$1.8m
- New orders in 1H15 totalling S\$200.5m, +18.8% vs in 1H14
- Order book of S\$237.8m at end of 1H15, a 22.1% increase over 1H14
- EPS up 12.3% to 3.39 cents per share
- Return on Equity 15.8% annualised
- Net Cash of S\$7.1m at the end of 1H15, as compared to Net Cash of S\$11.4m at the end of 1H14

2Q/1H 2015 Financial Overview

Financial Position & Cashflow

- Equity attributable to owners of the Company were S\$221.1m at end of 2Q15 vs S\$210.2m at Dec 14
- NAV per share at 30 June 2015 was 42.84 cents vs 39.36 cents at Dec 14
- Operating cash outflow of S\$12.9m in 2Q15 and S\$14.5m in 1H15 due to increase in funding for project WIP, projects of which have not reached their billing milestone
- Net Cash of S\$7.1m as at the end of 30 June 2015

Summary Financials 2Q/1H 2015

S\$'m	2Q 2015	2Q 2014	Change	1H 2015	1H 2014	Change
Revenue	112.1	108.1	3.8%	217.7	201.3	8.2%
Gross Profit	29.8	31.5	-5.5%	59.9	57.2	4.8%
EBIT	11.4	13.5	-15.4%	22.5	22.7	-1.2%
Operating PATMI	8.1	8.0	0.4%	15.7	15.6	0.6%
PATMI	9.9	8.0	23.4%	17.5	15.6	12.5%
Gross margin (%)	26.6%	29.2%	-8.9%	27.5%	28.4%	-3.2%
EBIT margin (%)	10.2%	12.5%	-18.3%	10.3%	11.3%	-8.5%
Operating net margin (%)	7.2%	7.4%	-2.7%	7.2%	7.7%	-6.5%
Net margin (%)	8.8%	7.4%	19.4%	8.0%	7.8%	3.8%
Operating cash flow	-12.9	-15.9	N.M	-14.5	-10.0	N.M
Net Cash/(loan)	7.1	11.4		7.1	11.4	
Net gearing (%)	-	-		-	-	
Order intake	97.4	95.4	2.2%	200.5	168.8	18.8%
Order book/backlog	237.8	194.7	22.1%	237.8	194.7	22.1%



2Q/1H 2015 FX Movement

	2Q 2015	2Q 2014	Variance (%)	1H 2015	1H 2014	Variance (%)
USD/SGD:	1.3420	1.2516	7.22%	1.3516	1.2625	7.06%
GBP/SGD:	2.0708	2.1173	-2.20%	2.0617	2.1106	-2.32%
AUD/SGD:	1.0452	1.1670	-10.44%	1.0600	1.1537	-8.12%

2Q/1H 2015 Constant Currency

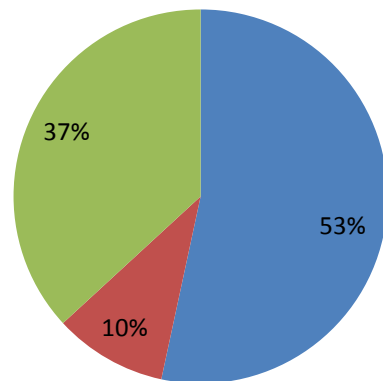
S\$M	2Q 2015	2Q 2014	Variance (%)	2Q 2015 Constant Currency	Variance (%)
Revenue:	112.1	108.1	3.8%	108.9	0.8%
PATMI:	8.1	8.0	0.4%	7.9	-1.6%

S\$M	1H 2015	1H 2014	Variance (%)	1H 2015 Constant Currency	Variance (%)
Revenue:	217.7	201.3	8.2%	210.9	4.8%
PATMI:	15.7	15.6	0.6%	15.3	-1.7%

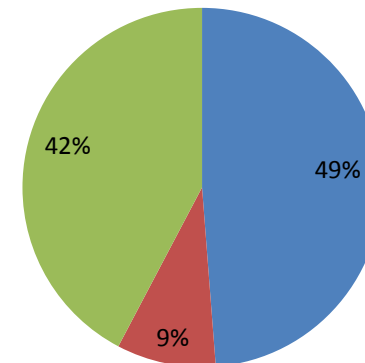
Revenue by Geographical Region

S\$m	1H 2015	1H 2014	Var %
Americas	116.2	98.2	18.4%
EMEA	21.3	18.0	18.3%
Asia Pacific	80.2	85.1	-5.8%
Total	217.7	201.3	8.2%

1H 2015



1H 2014



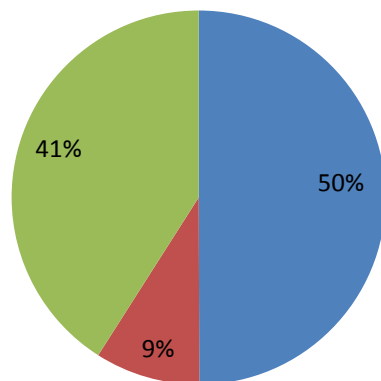
■ Americas
 ■ EMEA
 ■ Asia Pacific



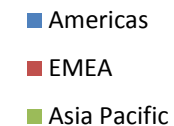
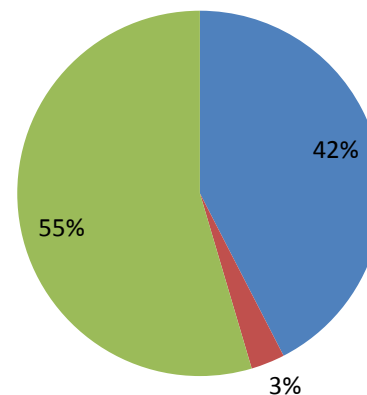
EBIT by Geographical Region

S\$m	1H 2015	1H 2014	Var %
Americas	11.3	9.6	17.4%
EMEA	2.0	0.7	180.7%
Asia Pacific	9.2	12.4	-25.6%
Total	22.5	22.7	-0.7%

1H 2015



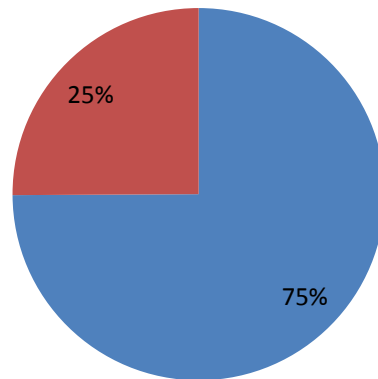
1H 2014



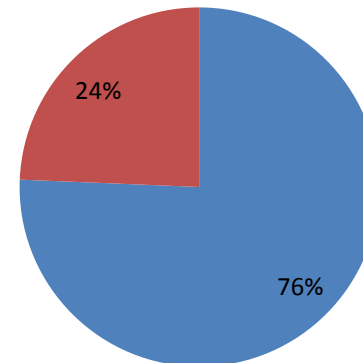
Revenue by Business Solutions

S\$m	1H 2015	1H 2014	Var %
Process Controls	163.1	152.3	7.1%
Communications & Security	54.6	49.0	11.4%
Total	217.7	201.3	8.2%

1H 2015



1H 2014

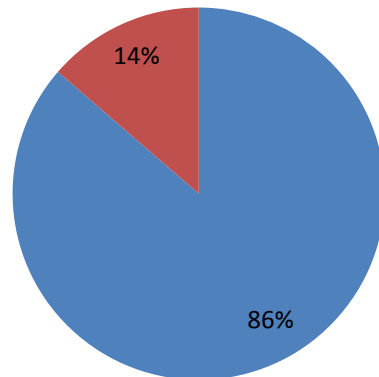


■ Process Controls
■ Communications & Security

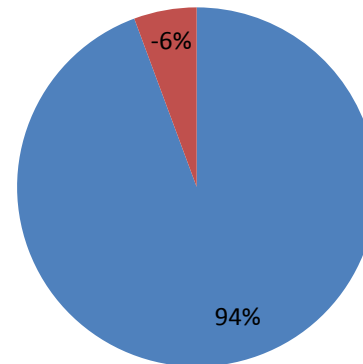
EBIT by Business Solutions

S\$m	1H 2015	1H 2014	Var %
Process Controls	20.5	21.5	-4.3%
Communications & Security	2.0	1.2	63.0%
Total	22.5	22.7	-0.7%

1H 2015



1H 2014

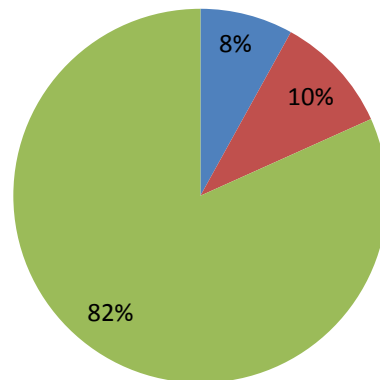


■ Process Controls
■ Communications & Security

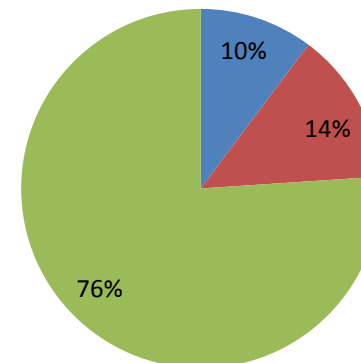
Revenue by Industry

S\$m	1H 2015	1H 2014	Var %
Mining & Mineral	17.5	20.6	-15.0%
Infrastructure	22.3	27.6	-19.2%
Oil & Gas	177.9	153.1	16.2%
Total	217.7	201.3	8.2%

1H 2015



1H 2014



- Mining & Mineral
- Infrastructure
- Oil & Gas

Infrastructure: Power, Water, Waste Treatment & Transportation



2Q 2015 Group Balance Sheet

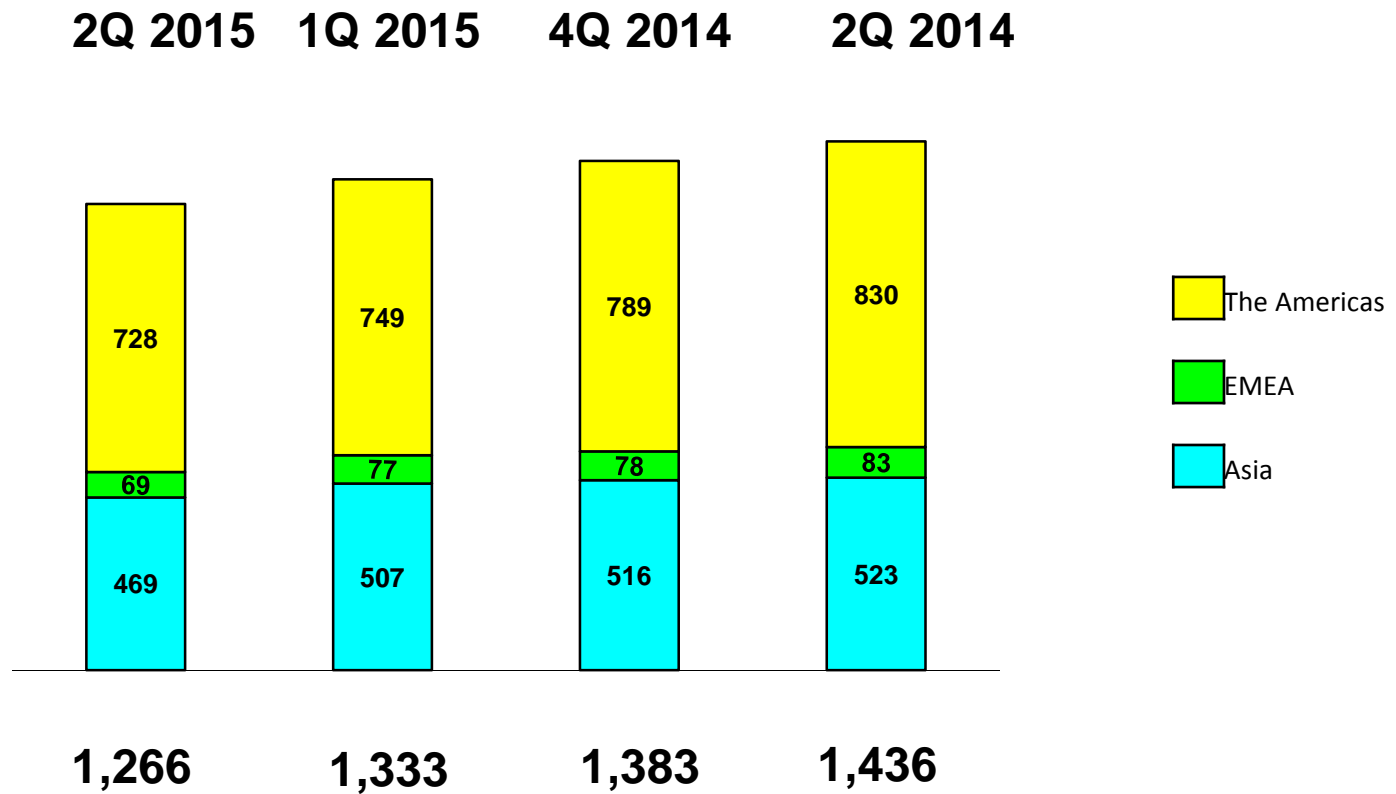
S\$M	30-Jun-15	31-Mar-15	31-Dec-14	30-Sep-14	30-Jun-14
Cash at Hand & Bank	59.5	67.0	66.9	53.4	46.2
Work in Progress (Net)	88.0	73.2	57.0	57.0	53.0
Inventories	17.0	13.9	17.2	10.0	14.6
Trade Receivable	98.8	108.7	109.9	106.9	107.1
Trade Payable	54.7	56.7	63.0	56.9	59.4
Net Current Assets	153.3	158.7	142.6	125.9	123.9
Loan	52.4	44.0	43.5	41.4	34.9
Net Cash	7.1	23.0	23.4	12.0	11.4
Shareholder Fund	221.1	228.1	210.2	195.7	192.2

2Q / 1H 2015 Group Cashflow

S\$m	Q2 2015	Q2 2014	1H 2015	1H 2014
As at beginning of the period	67.0	63.8	66.9	186.6
Net Operations	(12.9)	(15.9)	(14.5)	(10.0)
Capital Expenditure (Net)	(0.9)	(1.0)	(1.4)	(2.0)
Cash consideration received, nett of cash divested	7.5	-	7.5	-
Subsequent payment for subsidiary acquired	-	-	(0.6)	(0.5)
Bank Loans	8.4	15.3	8.9	32.1
Dividends	(7.7)	(15.5)	(7.7)	(160.0)
Net effect of FX on cash	(1.9)	(0.5)	0.4	-
As at end of period	59.5	46.2	59.5	46.2

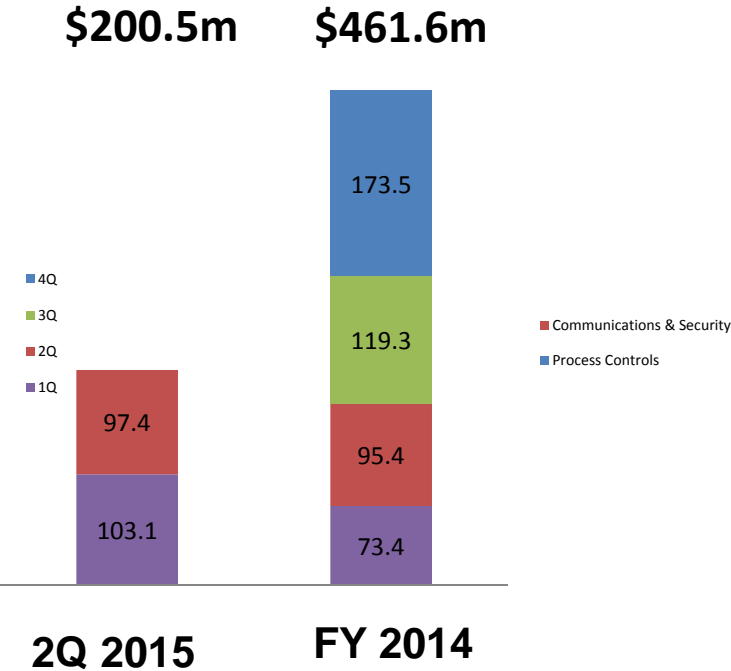


Human Resource

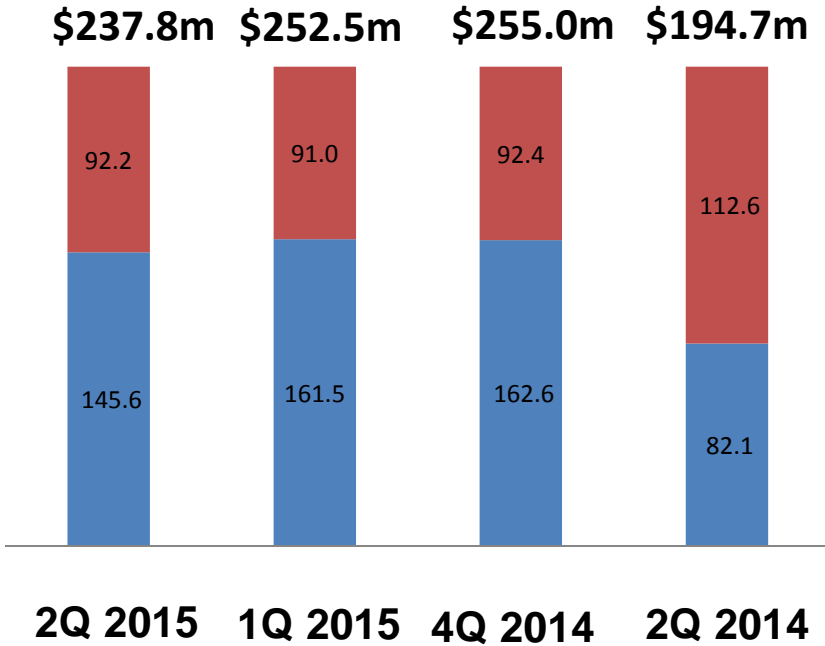


2Q 2015 Orders

New orders



Outstanding orders



Business Overview & Outlook

Business Overview

- Flat profitability of S\$8.1m
- Strong order intake of S\$97.4m
- Robust order book of S\$237.8m
- Net cash of S\$7.1m

- Corporate Updates
 - Divested Power Diesel in June 2015
 - Acquired the assets of Crosscom in June 2015
 - Set up office in Peco, Permian Basin
 - Set up engineering centre in Cochin, India

- We are a system integrator
- Industries we serve :
 - oil & gas (mainly in production (land (include shale), shallow sea, continental shelf and deep sea), also pipeline and chemical/petrol-chemical),
 - mining (coal, gold, iron, copper, nickel & molybdenum)
 - infrastructure (transport, power utilities and water/wastewater utilities)

Cost effective solution provider

- Oil & gas, Mining and infrastructure all remains challenging
- Brownfield and small greenfield – level of activities had declined
- Large greenfield projects – defer/delay and fewer

Focus and invest for future recovery

- Continue to focus on brownfield and small greenfield projects
- Target new customers
- Develop new revenue stream
- Strengthen project delivery
- Cash generation

- **Summary**

CSE has a healthy outstanding order book of S\$237.8 million and a net cash position of S\$7.1 million at the end of 2Q15.

The Group remains optimistic of its performance for FY2015, notwithstanding the challenging global economic outlook and low commodity prices.

CSE believes, however, that there are opportunities available in the market which the Group will work on to secure more orders. The Group will also continue to support and service its existing installed base or customers (brownfield projects) as well as execute its outstanding order book.

Interim Dividend

- An interim dividend of 1.25 cents per share to be paid
- Book closure date: 28th August 2015
- Payment date: 18th September 2015

Questions & Answers

Thank You