

PRESS RELEASE

CSE's 1Q2019 core net profit rises 5.3% yoy to S\$4.6 million

- **Quality of earnings improved, with higher gross profit margin and higher net profit margin of 27.7% and 6.7% respectively, notwithstanding lower revenues of S\$85.4 million.**
- **Core performance strengthened, with cash inflow from operations of S\$5.6 million and higher new orders received of S\$87.5 million.**
- **Group expects FY2019 to be a stronger year, supplemented by the pursuit of both organic growth and strategic acquisitions.**

Singapore, 6 May 2019 – CSE Global Limited (“CSE” or the “Group”) announced today its financial results for the three months ended 31 March 2019 (“**1Q2019**”).

Financial Highlights

S\$'000	1Q2019	1Q2018	Change (%)
Revenue	85,363	92,172	(7.4)
Gross profit	23,688	24,705	(4.1)
Profit after tax and NCI (PAT)	5,729	5,702	0.5
Core PAT*	4,590	4,360	5.3
Gross profit margin (%)	27.7	26.8	+90 bps
Net profit margin (%)	6.7	6.2	+50 bps
Cash generated from/(used in) operations	5,596	(5,327)	N.M
New orders received	87,515	68,949	26.9

*Profit after tax and non-controlling interest after deducting net exchange gain

The Group's core net profit grew 5.3% year-on-year (“yoy”) to S\$4.6 million, on the back of a 0.9 percentage points improvement in gross profit margin and 0.5 percentage points improvement in net profit margin. This is despite lower revenue of S\$85.4 million registered, a result of lower large greenfield revenues recognised and the delay in delivery schedules for some projects in the Americas region.

Core performance remained strong with cash inflow from operations of S\$5.6 million, through better collections from trade receivables. New orders received also grew by 26.9% yoy to S\$87.5 million, mainly driven by recurring small greenfield projects and brownfield projects, bringing the outstanding order book to S\$182.2 million.

As at 31 March 2019, the Group's balance sheet remained healthy with a net cash position of S\$34.8 million.

Commenting on the Group's results, Mr. Lim Boon Kheng, Group Managing Director of CSE, said, **“We are pleased to record an improvement in core profitability for 1Q2019, in spite of the uncertainties posed in the global macroeconomic landscape. Our endeavours in growing our geographical footprints and expanding our businesses continue to yield positive results going into the new fiscal year. Moving forward, we strive to deliver sustainable growth through a combination of both organic growth and strategic acquisitions.”**

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 1,100 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.

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

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