

1Q2019 RESULTS BRIEFING

CSE Global Limited



Fullerton Hotel
7 May 2019

CSE Global

AGENDA

1. Address by CEO

2. Financial Performance by CFO

3. Q & A



Address by CEO



BUSINESS OVERVIEW

- 1Q 2019 overall an improvement in core profitability, markets remains cautious

Positives

- Gross margins are stable at around 27.7%.
- Improvement in net profitability
- Positive operating cash flow
- Stable order intake of S\$87.5m

Negatives

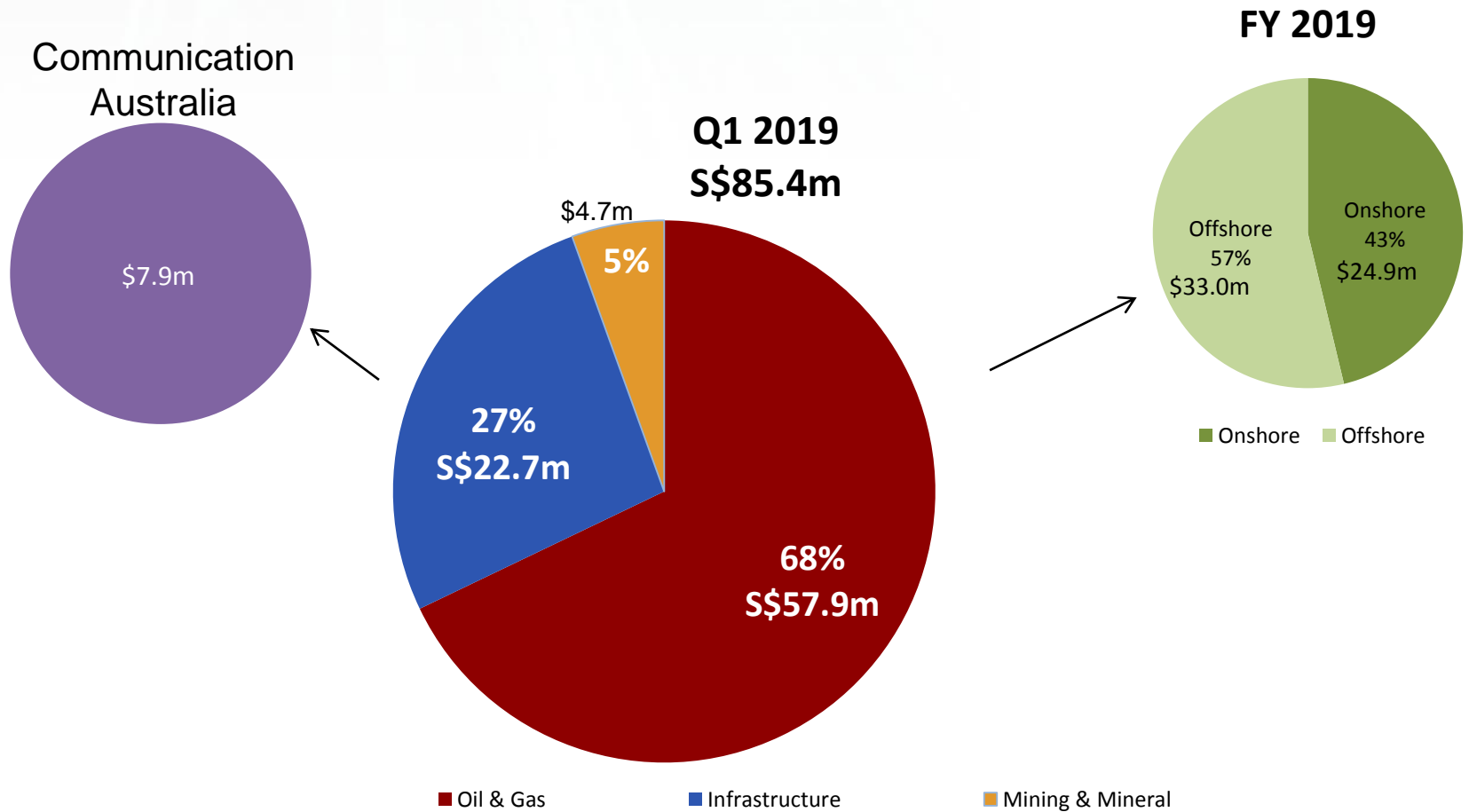
- The lull in large greenfield projects for oil & gas continue

BUSINESS OVERVIEW

1Q 2019 - Building on 2017/18

- Oil & gas
 - Pushing west for Permian and strengthening Eagleford
 - Focus on onshore and offshore in the Americas
- Infrastructure
 - Strengthen telecommunications biz in ANZ through an acquisition
 - Engaging more with Singapore Govt
- Mining & Mineral
 - The wait continue for large projects

Q12019 REVENUE BREAKDOWN - SEGMENT

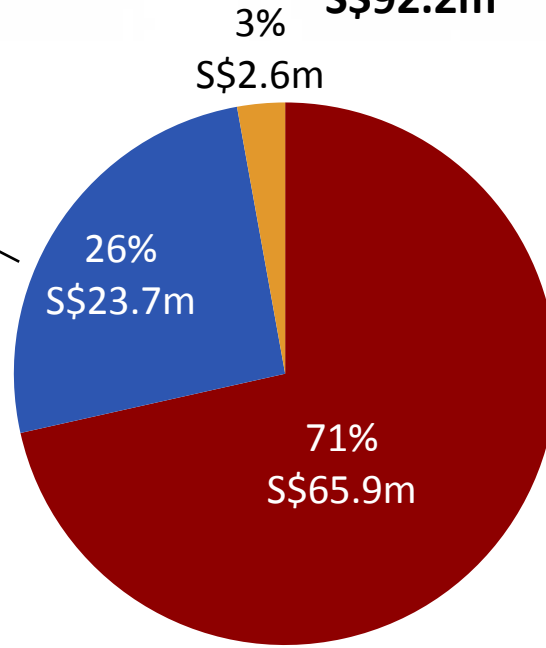


Q12018 REVENUE BREAKDOWN - SEGMENT

Communication
Australia



Q1 2018
S\$92.2m

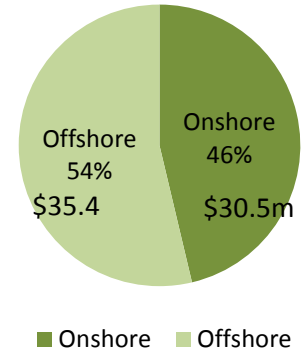


Oil & Gas

Infrastructure

Mining & Mineral

Q1 2018



Onshore Offshore

REVENUE – FLOW/LARGE GREENFIELD PROJECTS

(S\$m)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
Flow business from brownfield and small greenfield	82.9	84.2	84.5	96.5	348.1	81.6	-	-	-	81.6
Large greenfield projects:	9.3	7.9	7.9	3.6	28.7	3.8	-	-	-	3.8
Total	92.2	92.1	92.4	100.1	376.8	85.4	-	-	-	85.4
Flow share %	90%	91%	91%	96%	92%	96%				96%
Large Greenfield project share %	10%	9%	9%	4%	8%	4%				4%

KEY STRATEGIES 2019

Where can we do more:

- **Oil & gas (Americas)**
 - Small greenfield projects/ brownfield projects in Gulf of Mexico
 - Shale onshore

- **Infrastructure (Singapore)**
 - Singapore Government

- **Infrastructure (Australia)**
 - Energy solutions
 - Radio business

OUTLOOK

- We anticipate an increase in activities albeit a more stable pricing environment in the markets we serve. Consequently, we expect improvement in our financial performance in 2019.
- Notwithstanding the market uncertainties, we are confident in generating positive operating cash flow for 2019. As a group, we are continuously looking out for value accretive and strategic acquisitions to grow our business to ensure a longer and sustainable income stream.

DIVIDENDS

- Willingly to ride through this difficult period with the shareholders, intends to maintain dividend at 2.75 cents per share per year
- Historically, paid 40% of operating profit after tax for dividends as net cash inflow over 3 to 5 years period is 70% of operating profit after tax

A photograph of a modern high-speed train, likely a Shinkansen, stopped at a station platform. The train is blue and white with a sleek, aerodynamic nose. The platform has a metal railing and a person standing in the background. The station is covered by a large, complex roof structure with many pipes and lights. The image is partially obscured by a white diagonal shape on the left side of the slide.

CSE *Global*

1Q 2019

Financial Performance

1Q2019 FINANCIAL OVERVIEW

-7.4%	Revenue of S\$85.4 million
+90 bps	Gross margins of 27.7%
+0.5%	Net profit of S\$5.7 million
+5.3%	Core net profit of S\$4.6 million
+1.8%	EPS of 1.13 Singapore cents
+26.9%	Order Intake of S\$87.5 million
+10 bps	Annualised ROE of 13.3%

FY2019 FINANCIAL OVERVIEW

Financial Position & Cashflow

- Cash inflow from operations of S\$5.6m in 1Q19, mainly due to better collections from trade receivables.
- Net Cash of S\$34.8m at 1Q19 vs S\$37.9m at 4Q18.
- Equity attributable to owners of the Company were S\$172.1m at 31 March 2019 vs S\$171.2m at 31 Dec 2018
- NAV per share at 31 March 2019 was at 33.87 cents vs 33.65 cents at 31 Dec 2018

SUMMARY FINANCIALS 1Q19

S\$m	1Q 2019	1Q 2018	Change
Revenue	85.4	92.2	-7.4%
Gross Profit	23.7	24.7	-4.1%
Operating expenses	17.9	18.4	-2.5%
EBIT	7.0	7.8	-10.1%
Profit attributable to shareholders	5.7	5.7	0.5%
Core PAT*	4.6	4.4	5.3%
Gross margin (%)	27.7%	26.8%	+90bps
EBIT margin (%)	8.2%	8.5%	-30bps
Net margin (%)	6.7%	6.2%	+50bps
Operating cash flow from operations	5.6	-5.3	N.M.
Net Cash/(loan)	34.8	5.0	592.0%
Order intake	87.5	68.9	26.9%
Order book/backlog	182.2	148.6	22.6%
ROE (annualised)	13.3%	13.2%	+10bps

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

FY 2019 GROUP BALANCE SHEET

S\$M	31-Mar-19	31-Dec-18	30-Sep-18	30-Jun-18	31-Mar-18
Cash at Hand & Bank	65.2	74.1	56.1	54.1	43.2
Quoted Investments	1.3	1.3	1.3	1.3	1.3
Contract Assets (Net)	24.4	22.4	24.7	39.4	56.2
Inventories	17.3	16.5	17.5	15.0	13.2
Trade Receivables	61.6	64.9	64.8	71.7	71.6
Other Receivables	15.6	17.0	17.1	17.3	15.7
Trade Payables and Accruals	41.2	44.5	49.6	50.2	48.6
Net Current Assets	109.5	114.5	106.5	113.6	112.0
Loans and borrowings	30.4	36.1	21.7	33.2	38.1
Net Cash/(loan)	34.8	37.9	34.4	20.9	5.0
Shareholders' Fund	172.1	171.2	164.2	169.5	166.3

1Q2019 GROUP CASH FLOW STATEMENT

S\$m	Q1 2019	Q1 2018
As at beginning of the period	74.1	46.9
Net Operations	5.6	(5.3)
Interest and tax	(0.9)	(2.0)
Capital Expenditure (Net)	(2.1)	(0.9)
Payment for subsidiary/assets acquired	(3.2)	(1.0)
Bank Loans	(5.7)	6.1
Purchase of treasury shares	(2.1)	-
Dividends	-	-
Net effect of FX on cash	(0.3)	(0.6)
As at end of period	65.2	43.2

1Q2019 FX MOVEMENT

	1Q 2019	1Q 2018	Variance (%)	1Q 2019	1Q 2018	Variance (%)
USD/SGD:	1.3553	1.3234	2.41%	1.3553	1.3234	2.41%
GBP/SGD:	1.7609	1.8274	-3.64%	1.7609	1.8274	-3.64%
AUD/SGD:	0.9680	1.0455	-7.41%	0.9680	1.0455	-7.41%

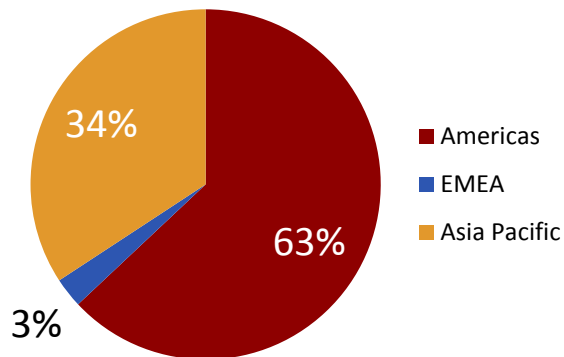
1Q 2019 CONSTANT CURRENCY

S\$M	1Q 2019	1Q 2018	Variance (%)	1Q 2019 Constant Currency	Variance (%)
Revenue:	85.4	92.2	-7.4%	85.7	-7.0%
PATMI:	5.7	5.7	0.5%	5.7	0.8%

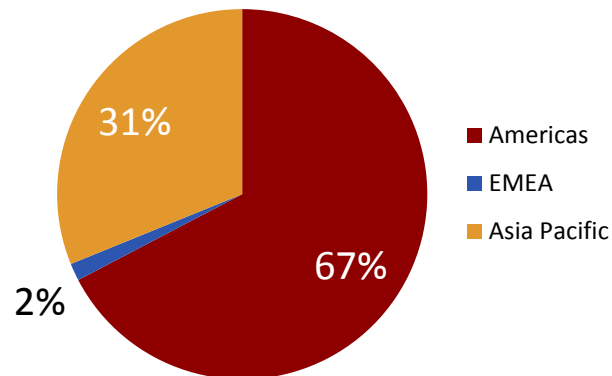
REVENUE BY GEOGRAPHICAL REGION – 1Q 2019

S\$m	Q1 2019	Q1 2018	Var %
Americas	53.8	62.1	-13.4%
EMEA	2.4	1.4	69.3%
Asia Pacific	29.2	28.7	1.8%
Total	85.4	92.2	-7.4%

Q1 2019



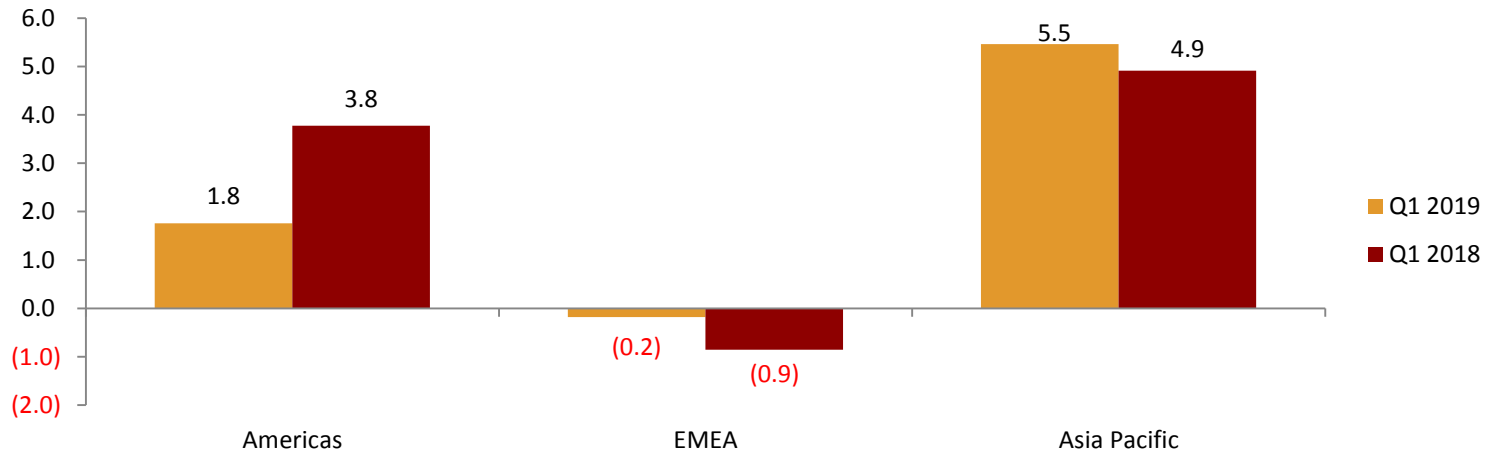
Q1 2018



EBIT BY Geographical Region – 1Q2019

S\$m	Q1 2019	Q1 2018	Var %
Americas	1.8	3.8	-53.3%
EMEA	(0.2)	(0.9)	78.8%
Asia Pacific	5.5	4.9	11.1%
Total	7.0	7.8	-10.1%

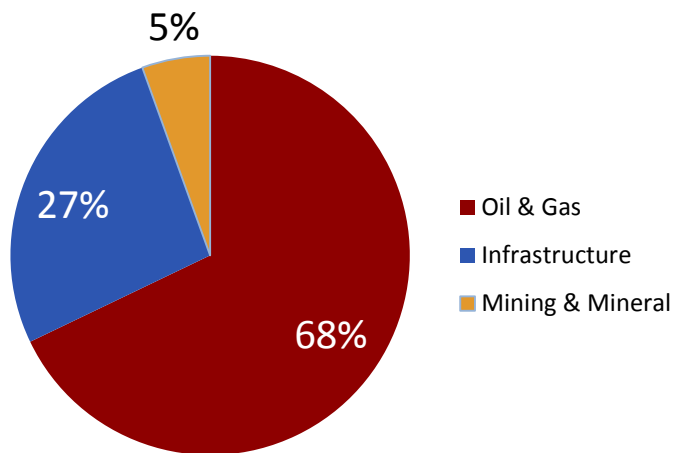
EBIT by Geography



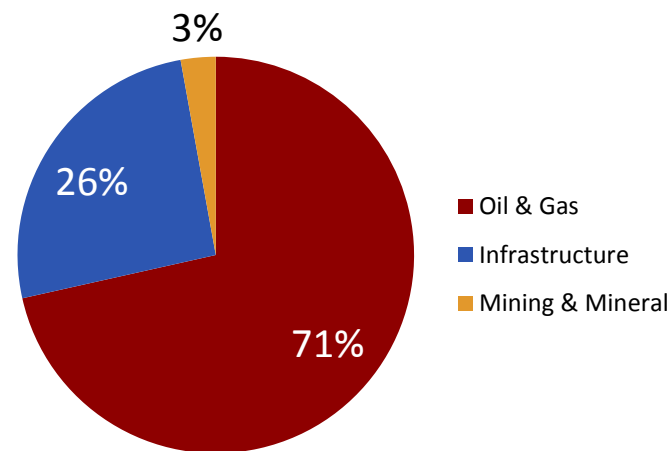
REVENUE BY INDUSTRY – 1Q2019

S\$m	Q1 2019	Q1 2018	Var %
Oil & Gas	57.9	65.9	-12.1%
Infrastructure	22.7	23.7	-4.0%
Mining & Mineral	4.7	2.6	79.6%
Total	85.4	92.2	-7.4%

Q1 2019



Q1 2018

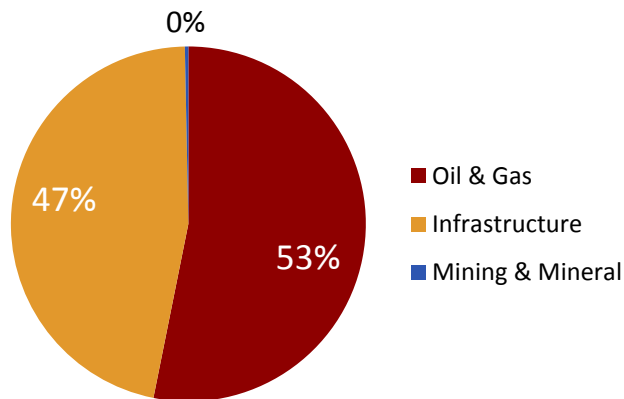


Infrastructure: Power, Water, Waste Treatment & Transportation

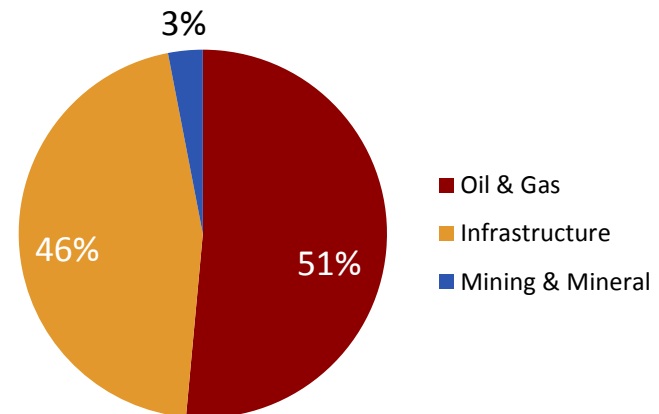
EBIT BY INDUSTRY – 1Q2019

S\$m	Q1 2019	Q1 2018	Var %
Oil & Gas	3.7	4.0	-7.0%
Infrastructure	3.3	3.6	-8.3%
Mining & Mineral	0.0	0.2	-88.7%
Total	7.0	7.8	-10.1%

Q1 2019



Q1 2018



Infrastructure: Power, Water, Waste Treatment & Transportation

REVENUE BY GEOGRAPHICAL REGION – QTRLY TRENDS

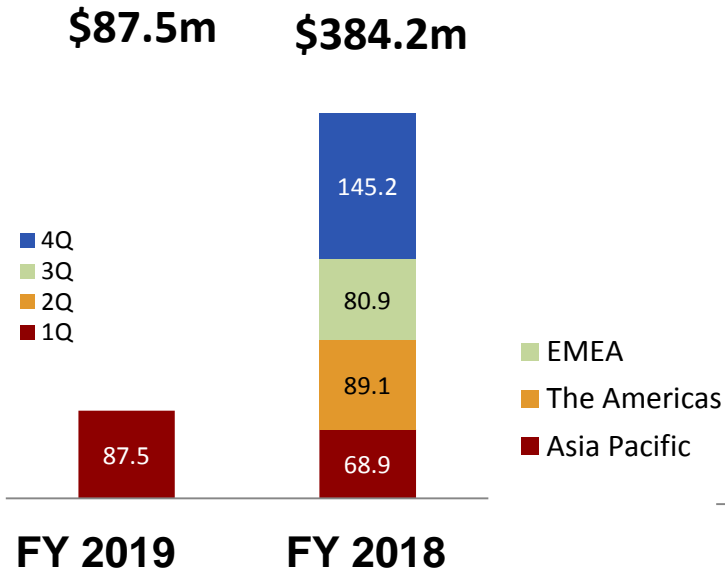
S\$m	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Americas	53.8	62.3	55.8	58.6	62.1
EMEA	2.4	2.1	2.5	2.9	1.4
Asia Pacific	29.2	35.7	34.1	30.7	28.7
Total	85.4	100.1	92.4	92.1	92.2

REVENUE BY INDUSTRY – QTRLY TRENDS

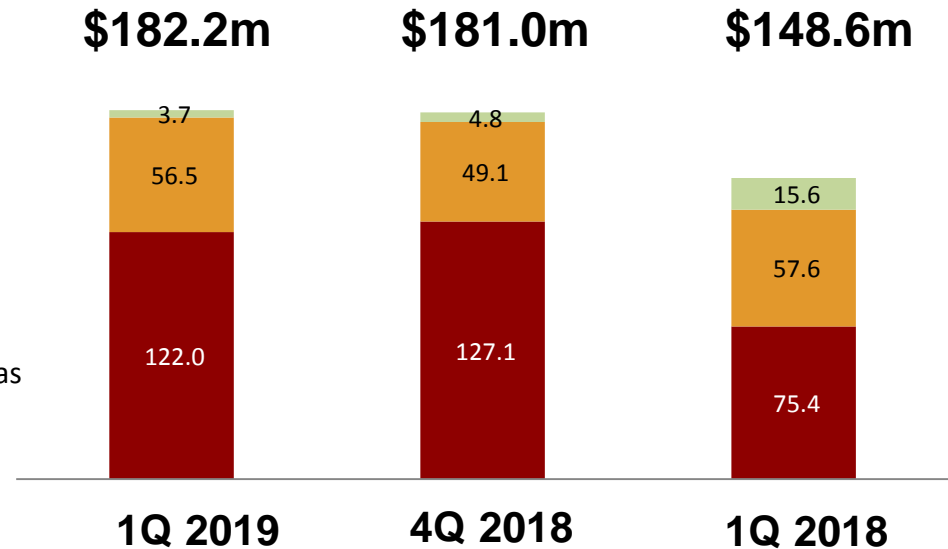
S\$m	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Oil & Gas	57.9	63.7	58.9	62.5	65.9
Infrastructure	22.7	32.8	27.6	26.0	23.7
Mining & Mineral	4.7	3.5	5.9	3.7	2.6
Total	85.4	100.1	92.4	92.1	92.2

1Q/ FY 2019 ORDERS

New orders



Outstanding orders



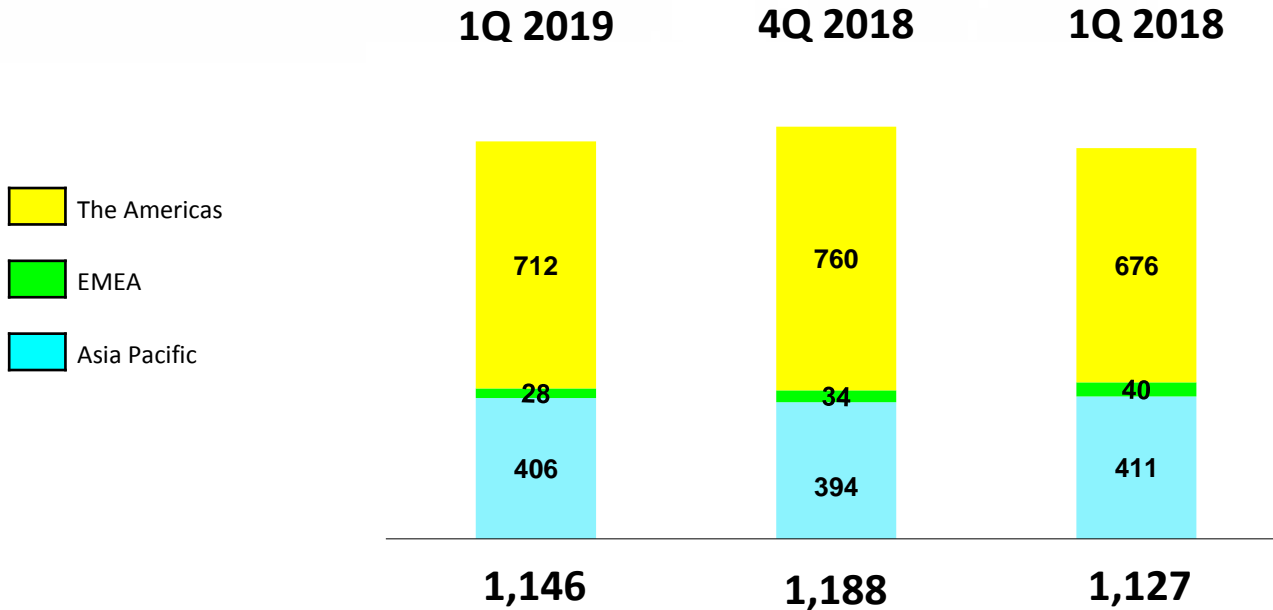
ORDER INTAKE BY INDUSTRY

S\$m	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Oil & Gas	65.9	55.1	52.6	60.5	49.5
Infrastructure	17.1	86.0	25.2	24.2	16.3
Mining	4.5	4.1	3.1	4.4	3.2
Total	87.5	145.2	80.9	89.1	69.0

BACKLOG BY INDUSTRY

S\$m	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Oil & Gas	52.7	45.8	54.2	60.4	60.3
Infrastructure	126.5	132.1	79.7	82.9	83.5
Mining	2.9	3.1	2.6	5.4	4.8
Total	182.2	181.0	136.5	148.8	148.6

HUMAN RESOURCE





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THANK YOU

Questions & Answers