

PRESS RELEASE

CSE's 1H2020 net profit surges 47.7% yoy to S\$15.1 million

- Revenue was 39.1% higher yoy at S\$255.6 million, mainly attributable to higher revenue achieved in the Americas and the Asia Pacific region.
- Order intake increased 25.7% yoy to S\$242.1 million, driven by the growth in new orders from all industry segments, mainly from the Americas and the Asia Pacific region.
- Declared tax-exempt one-tier interim dividend of 1.25 cents per ordinary share.
- Continue focusing on cashflow management and generation.

Singapore, 5 August 2020 – CSE Global Limited (“CSE” or the “Group”) announced today its financial results for the half year ended 30 June 2020 (“1H2020”).

Financial Highlights

S\$'000	1H2020	1H2019	Change (%)
Revenue	255,575	183,715	39.1
Gross profit	77,437	50,778	52.5
Operating profit	15,908	13,046	21.9
Net profit	15,090	10,218	47.7
Gross profit margin (%)	30.3	27.6	2.7 pp
Net profit margin (%)	5.9	5.6	0.3 pp
Cash generated from operations	33,918	6,191	447.9
Order intake	242,072	192,642	25.7

The Group's revenue was 39.1% higher year-on-year (“yoy”) at S\$255.6 million, driven by higher revenues achieved in the Americas and the Asia Pacific region. For the Americas region, revenue surged by 51.7% yoy at S\$172.2 million, mainly attributed to higher time and material and greenfield project revenues recognised as well as revenues from inclusion of newly acquired subsidiaries, Volta, LLC and Volta Properties, LLC (collectively known as “Volta”). For the Asia Pacific region, revenue growth was 21.6% yoy at S\$81.4 million, due to higher recognition of revenues from the infrastructure and mining projects in Australia including contribution from newly acquired subsidiary, RCS Telecommunications Pty Ltd (“RCS”).

In line with the growth in revenue, the Group registered a net profit growth of 47.7% yoy to S\$15.1 million. This was mainly a result of a continued improvement in the Group's core operations and contribution from the acquisition of Volta and RCS partly offset by higher personnel costs arising from increased headcounts from acquisition of Volta and RCS, unabsorbed labour costs from lower labour utilization, increased amortization and depreciation expenses and higher provisions from expected credit loss on trade receivables.

Order intake in 1H2020 rose 25.7% yoy to S\$242.1 million, driven by the growth in new orders from all industry segments, mainly from the Americas and the Asia Pacific region. Accordingly, the Group's outstanding order book also surged, by 56.6% yoy to S\$293.8 million.

The Group generated a cash inflow from operations of S\$33.9 million in 1H2020, representing a growth of 447.9% from S\$6.2 million in 1H2019 due to stronger cashflow generation from better working capital management. The Group lowered its net debt position to S\$21.1 million as at end of June 2020, compared to 4Q2019 of S\$44.5 million.

Commenting on the Group's results, Mr. Lim Boon Kheng, Group Managing Director of CSE, said, **"We are pleased to deliver a commendable performance in 1H2020 despite the challenging business environment period. We are aware of the uncertainties ahead posed by COVID-19 pandemic, low oil & gas prices and weak global economic outlook. Despite these uncertainties in the coming months, the Group remains confident to achieve a financial performance for FY2020 similar to that recorded in FY2019."**

The Board of Directors has recommended a tax-exempt one-tier interim dividend of 1.25 Singapore cents per share. The payment of the interim dividend will be paid on 15 September 2020.

End of Release

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 1,400 employees worldwide, and operates a network of 41 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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