



4Q/FY2018 Results Briefing

CSE Global Limited

Fullerton Hotel
21 February 2019

1. Address by CEO
2. Financial Performance by CFO
3. Q & A

Address by CEO

- 2018 overall a good result, markets remains cautious

Positives

- Gross margins are stable at around 27%.
- Strong improvement in net profitability
- Strong positive operating cash flow +S\$56.3m
- Stable order intake of S\$384m
- Managed to win 1 large greenfield infrastructure project in December

Negatives

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

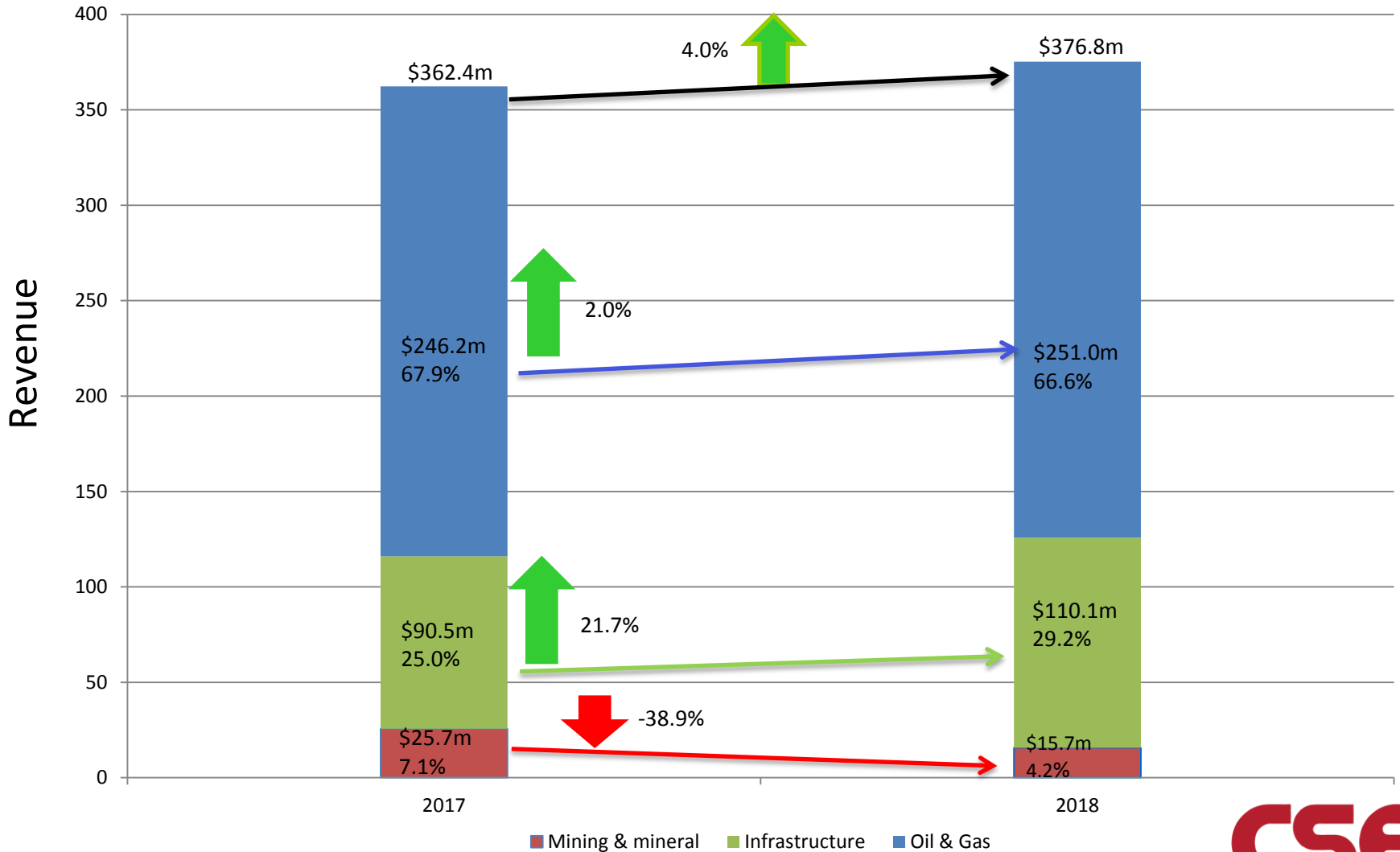
Positive momentum for FY2019:

- Oil & gas
 - Activities level for onshore and offshore remains healthy, competition remain high and prices stable
 - no FID for large greenfield announced by customers in Q4 2018, no order imminent

Infrastructure

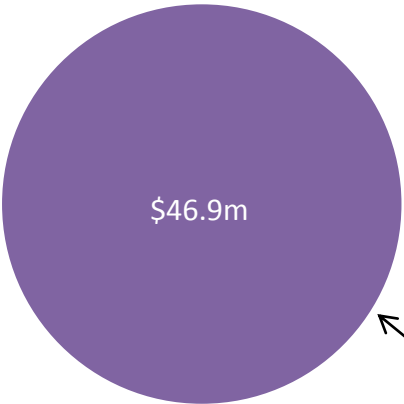
- Activities level for onshore and offshore remains healthy, competition remain high and prices stable
- still working on opportunities
- Mining & Mineral
 - Activities level for onshore and offshore remains healthy, competition remain high and prices stable

Segmentation of Revenue by Sector

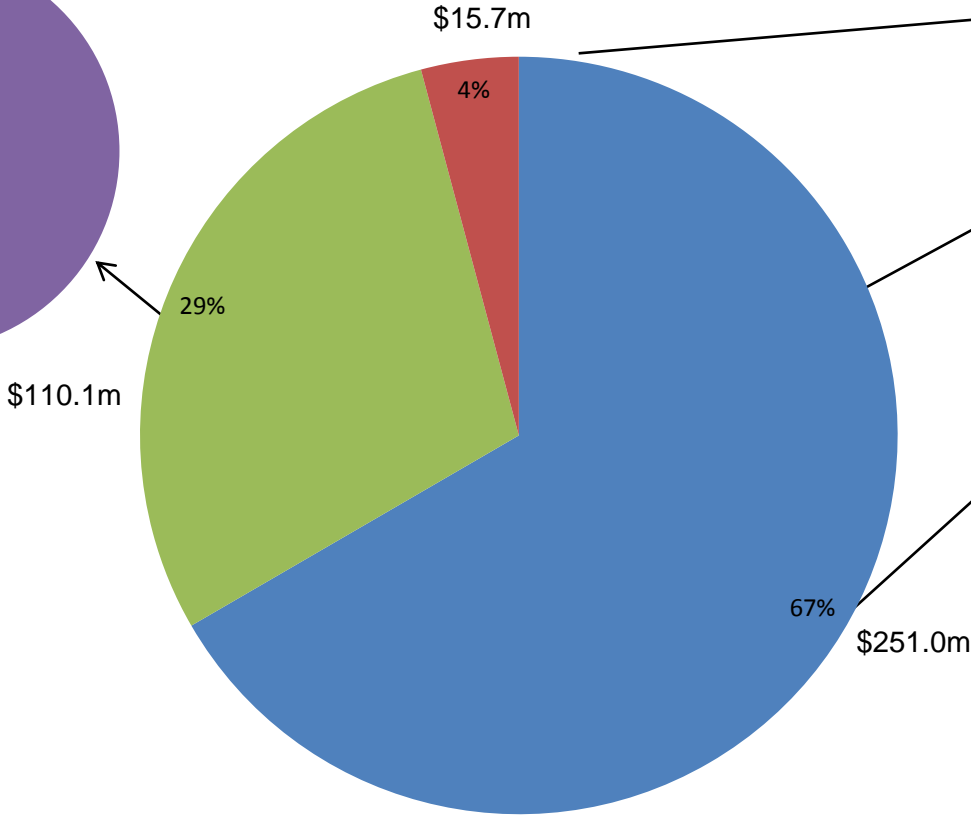


Further Information on FY2018 Revenue

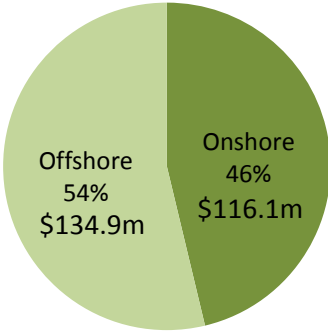
Communication Australia



FY 2018



FY 2018



■ Onshore ■ Offshore

■ Oil & Gas ■ Infrastructure ■ Mining & Mineral

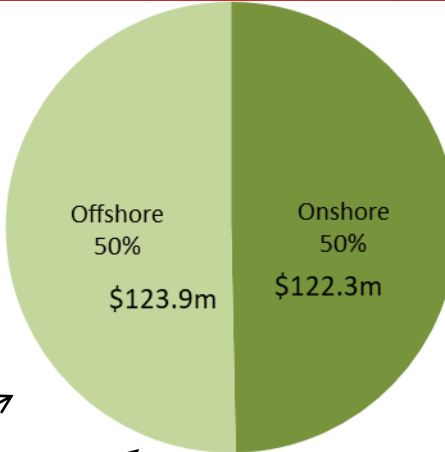
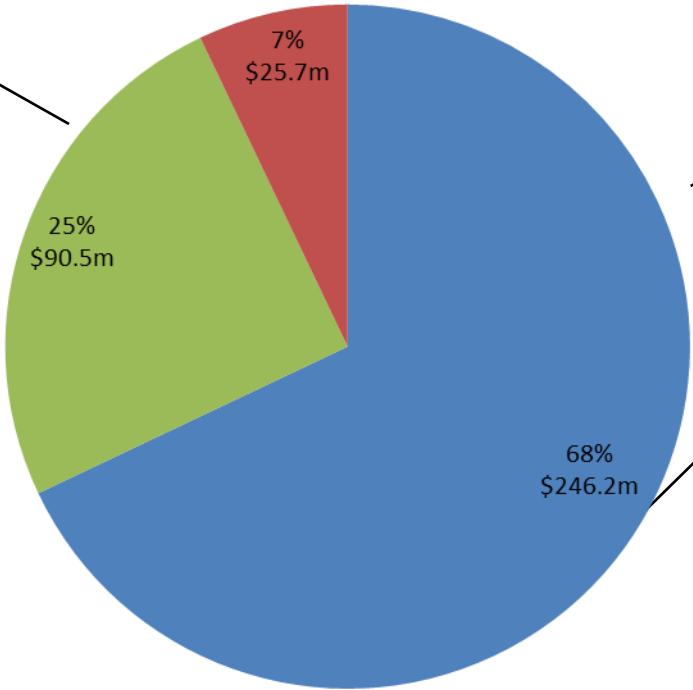


Further Information on FY2017 Revenue

Communication Australia



FY 2017
\$362.4m



■ Oil & Gas ■ Infrastructure ■ Mining & Mineral



- Generate cash
- Cost control
- Continue to focus on building small greenfield projects and brownfield projects
- Continue to work on opportunities in large greenfield projects
- Build the footprint in Americas and Australia through acquisitions and new setup

Outlook Statement:








- We anticipate an increase in activities in the markets we serve, together with a more stable pricing environment. Consequently, we expect improvement in our financial performance in 2019.
- In view of the market uncertainties, we believe capital discipline is of utmost importance. Nevertheless, we are confident of 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 (Proposed)








	FY2016	FY2017	FY2018
Dividends (Cents):			
Interim	1.25	1.25	1.25
Final	1.50	1.00	1.50#
Special	-	0.50	-
Total	2.75	2.75	2.75
Payment Date:	17 May 2019		
Book Closure:	6 May 2019		
AGM:	18 April 2019		
#: proposed and subject to approval at AGM			

4Q 2018 & FY 2018 Financial Performance

4Q2018 Financial Overview

Revenue	 Decreased by 14.2% to S\$100.1m
Gross Margin	 Increased to 30.2% from 24.8% in 4Q17, higher than FY2017 of 26.0%
EBIT	 Rose by 7.2% to S\$7.2m compared to S\$6.5m in 4Q17
Net Profit	 Grew by 17.1% to S\$5.1m from S\$4.3m in 4Q17
EPS (basic)	 0.99 cents per share compared to (7.23) cents per share in 4Q17
Order intake	 67.2% higher in new orders of S\$145.2m vs 4Q17 of S\$86.9m
ROE (Annualised)	 11.8% ROE achieved

FY2018 Financial Overview

Revenue	 Grew by 4.0% to S\$376.8m
Gross Margin	 Increased to 27.9% from 26.0% in FY17.
EBIT	 Rose by 35.7% to S\$26.6m compared to S\$19.6m in FY17
Net Profit	 Jumped by 50.8% to S\$20.1m from S\$13.3m in FY17
EPS (basic)	 3.95 cents per share compared to (8.75) cents per share in FY17
Order intake	 0.6% higher in new orders of S\$384.2m
ROE	 11.7% ROE achieved

FY2018 Financial Overview

Financial Position & Cashflow

- Cash inflow from operations of S\$9.0m in 4Q18 and S\$56.3m in FY18, mainly due to better working capital management of projects.
- Net Cash of S\$37.9m at 4Q18 vs S\$15.5m at 4Q17.
- Equity attributable to owners of the Company were S\$171.2m at 31 December 2018 vs S\$166.6m at 31 Dec 2017
- NAV per share at 31 December 2018 was at 33.65 cents vs 32.28 cents at 31 Dec 2017

Summary Financials 4Q/FY 2018 vs 2017

S\$m	4Q 2018	4Q 2017	Change	FY 2018	FY 2017	Change
Revenue	100.1	116.7	-14.2%	376.8	362.4	4.0%
Gross Profit	30.2	28.9	4.5%	105.2	94.1	11.7%
Operating Profit	7.3	7.4*	-1.8%	25.1	16.3*	54.4%
EBIT	7.2	6.5*	10.5%	26.6	19.6*	35.7%
Net Profit	5.1	4.3*	17.1%	20.1	13.3*	50.8%
Net Profit, after EI in 2017	5.1	-37.3	N.M	20.1	-45.1	N.M
Gross margin (%)	30.2%	24.8%	21.8%	27.9%	26.0%	7.4%
EBIT margin (%)	7.2%	5.6%	28.8%	7.1%	5.4%	30.5%
Net margin(%)	5.1%	3.7%	36.6%	5.3%	3.7%	45.0%
Operating cash flow from operations	9.0	-2.2	N.M	56.3	-1.6	N.M
Net Cash/(loan)	37.9	15.5	144.7%	37.9	15.5	144.7%
Order intake	145.2	86.9	67.2%	384.2	381.9	0.6%
Order book/backlog	181.0	175.0	3.5%	181.0	175.0	3.5%
ROE (annualised) (note: 2017 figures are normalised)	11.8	10.4	140bps	11.7	8.0	370bps

* Before exceptional items (EI) incurred in 2017



4Q & FY2018 FX Movement

	4Q 2018	4Q 2017	Variance (%)	FY 2018	FY 2017	Variance (%)
USD/SGD:	1.3731	1.3577	1.13%	1.3470	1.3856	-2.78%
GBP/SGD:	1.7718	1.8084	-2.03%	1.8032	1.7811	1.24%
AUD/SGD:	0.9906	1.0444	-5.15%	1.0111	1.0584	-4.47%

4Q & FY2018 Constant Currency

S\$M	4Q 2018	4Q 2017	Variance (%)	4Q 2018 Constant Currency	Variance (%)
Revenue:	100.1	116.7	-14.2%	101.0	-13.5%
PATNCI:	5.1	4.3	17.1%	5.1	17.6%

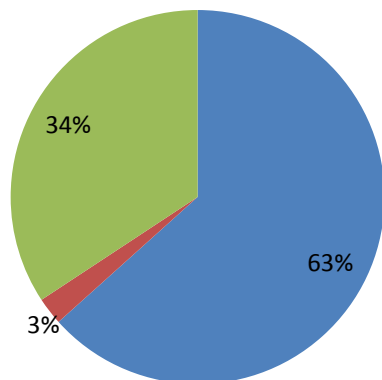
S\$M	FY 2018	FY 2017	Variance (%)	FY 2018 Constant Currency	Variance (%)
Revenue:	376.8	362.4	4.0%	388.5	7.2%
PATNCI:	20.1	13.3	50.8%	20.6	54.5%



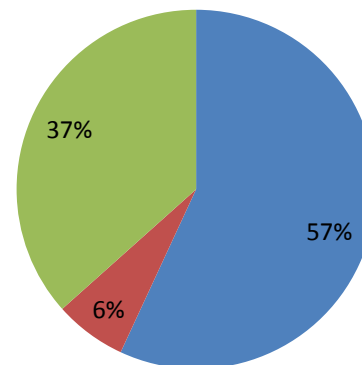
Revenue by Geographical Region - FY2018

S\$m	FY 2018	FY 2017	Var %
Americas	238.7	206.2	15.8%
EMEA	9.0	23.5	-61.9%
Asia Pacific	129.1	132.6	-2.7%
Total	376.8	362.4	4.0%

FY 2018



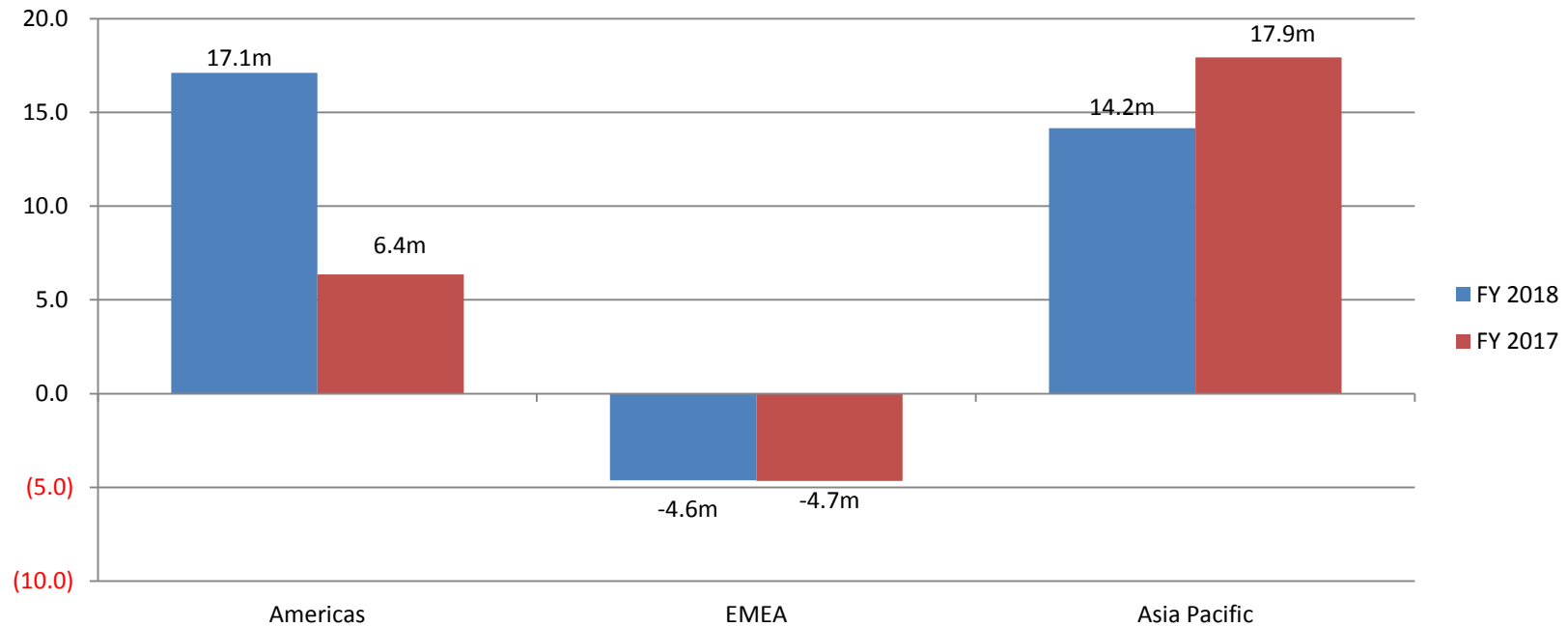
FY 2017



■ Americas
■ EMEA
■ Asia Pacific

EBIT by Geographical Region - FY2018

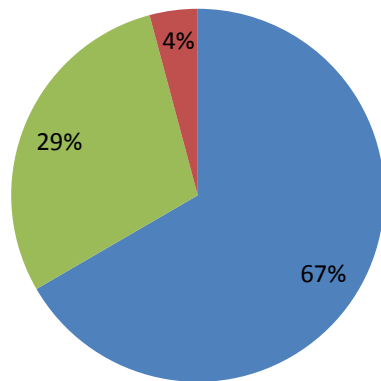
S\$\$m	FY 2018	FY 2017	Var %
Americas	17.1	6.4	168.9%
EMEA	(4.6)	(4.7)	0.8%
Asia Pacific	14.2	17.9	-21.1%
Total	26.6	19.6	35.7%



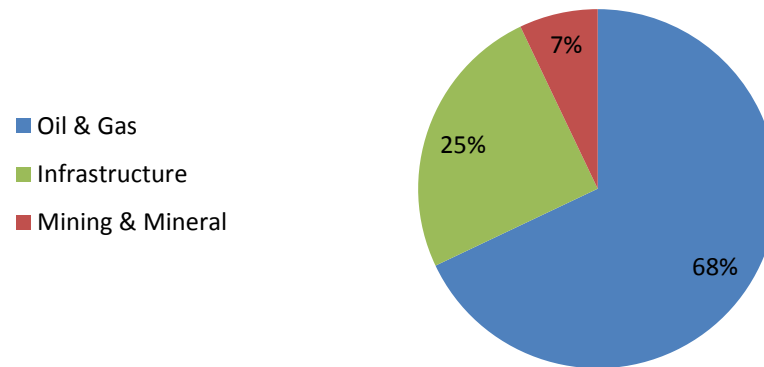
Revenue by Industry - FY2018

S\$m	FY 2018	FY 2017	Var %
Oil & Gas	251.0	246.2	2.0%
Infrastructure	110.1	90.5	21.7%
Mining & Mineral	15.7	25.7	-38.9%
Total	376.8	362.4	4.0%

FY 2018



FY 2017

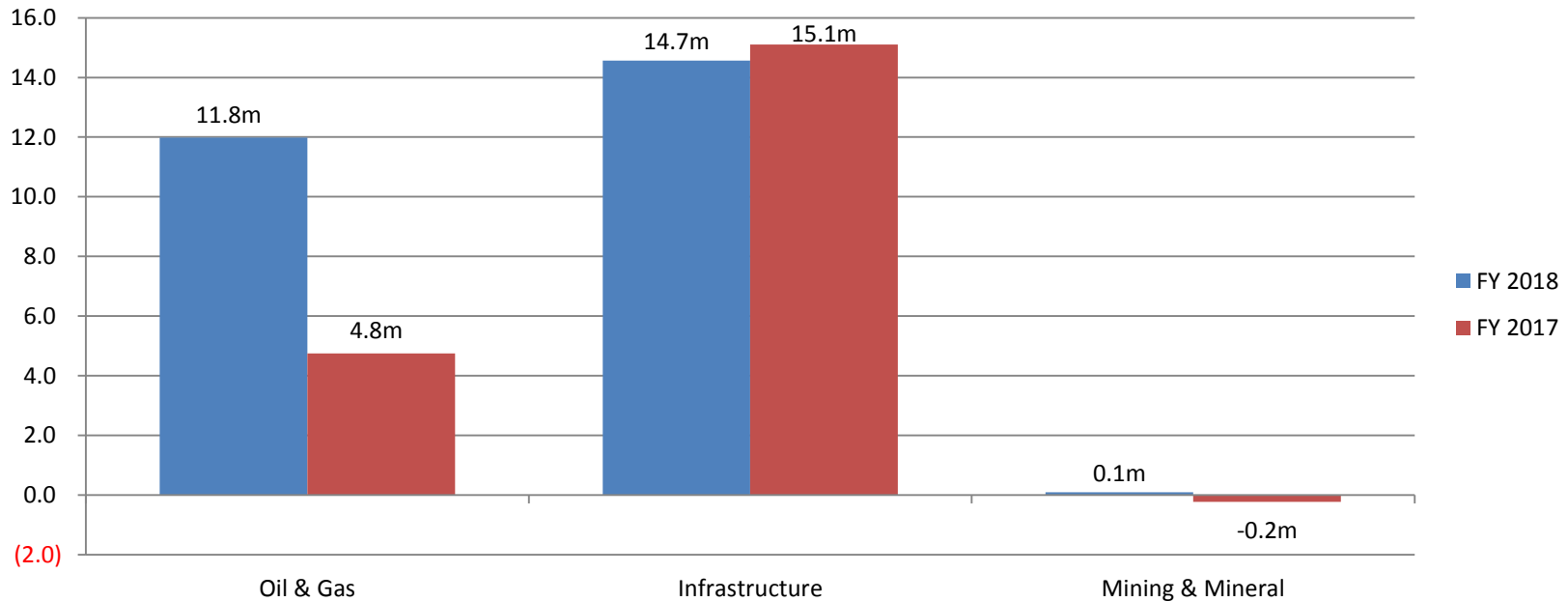


Infrastructure: Power, Water, Waste Treatment & Transportation



EBIT by Industry - FY2018

S\$m	FY 2018	FY 2017	Var %
Oil & Gas	12.0	4.8	152.3%
Infrastructure	14.6	15.1	-3.7%
Mining & Mineral	0.1	(0.2)	N.M.
Total	26.6	19.6	35.7%



Infrastructure: Power, Water, Waste Treatment & Transportation



Revenue by Geographical Region - Qtrly Trends

S\$m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Americas	62.3	55.8	58.6	62.1	74.2	53.9	40.9	37.2
EMEA	2.1	2.5	2.9	1.4	4.8	1.6	8.3	8.8
Asia Pacific	35.7	34.1	30.7	28.7	37.8	30.1	36.3	28.5
Total	100.1	92.4	92.1	92.2	116.7	85.6	85.5	74.5

Revenue by Industry - Qtrly Trends

S\$m	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Oil & Gas	63.8	58.9	62.5	65.9	80.1	59.4	53.2	53.5
Infrastructure	32.8	27.6	26.0	23.7	24.7	23.4	23.3	19.1
Mining & Mineral	3.5	5.9	3.7	2.6	11.9	2.7	9.1	2.0
Total	100.1	92.4	92.1	92.2	116.7	85.6	85.5	74.5

FY 2018 Group Balance Sheet

S\$M	31-Dec-18	30-Sep-18	30-Jun-18	31-Mar-18	31-Dec-17
Cash at Hand & Bank	74.1	56.1	54.1	43.2	46.9
Quoted Investments	1.3	1.3	1.3	1.3	1.3
Contract Assets (Net)	29.3	24.7	39.4	56.2	51.9
Inventories	16.5	17.5	15.0	13.2	14.6
Trade Receivables	64.9	64.8	71.7	71.6	73.5
Other Receivables	17.0	17.1	17.3	15.7	17.1
Trade Payables and Accruals	51.5	49.6	50.2	48.6	60.8
Net Current Assets	114.5	106.5	113.6	112.0	111.9
Loans and borrowings	36.1	21.7	33.2	38.1	31.4
Net Cash/(loan)	37.9	34.4	20.9	5.0	15.5
Shareholders' Fund	171.2	164.2	169.5	166.3	166.6

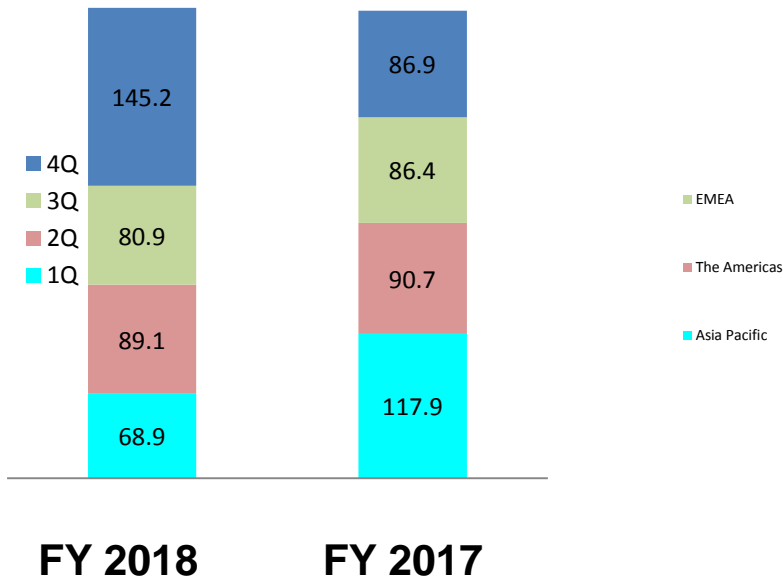
4Q & FY2018 Group Cash Flow Statement

S\$m	Q4 2018	Q4 2017	FY 2018	FY 2017
As at beginning of the period	56.1	47.4	46.9	90.8
Net Operations	9.0	(2.2)	56.3	(1.6)
Interest income/(expense) and tax expenses	(4.3)	0.1	(9.1)	(4.8)
One-off settlement costs	-	-	-	(16.6)
Capital Expenditure (Net)	(1.0)	(1.3)	(6.0)	(7.9)
Quoted investment	-	-	-	6.0
Net additional investment in Subsidiaries & Associates	-	(0.3)	(1.2)	(8.5)
Bank Loans	14.4	4.2	4.7	10.4
Dividends	-	-	(14.2)	(14.2)
Treasury shares	-	-	(3.3)	-
Net effect of FX on cash	(0.2)	(1.0)	(0.1)	(6.6)
As at end of period	74.1	46.9	74.1	46.9

4Q/ FY 2018 Orders

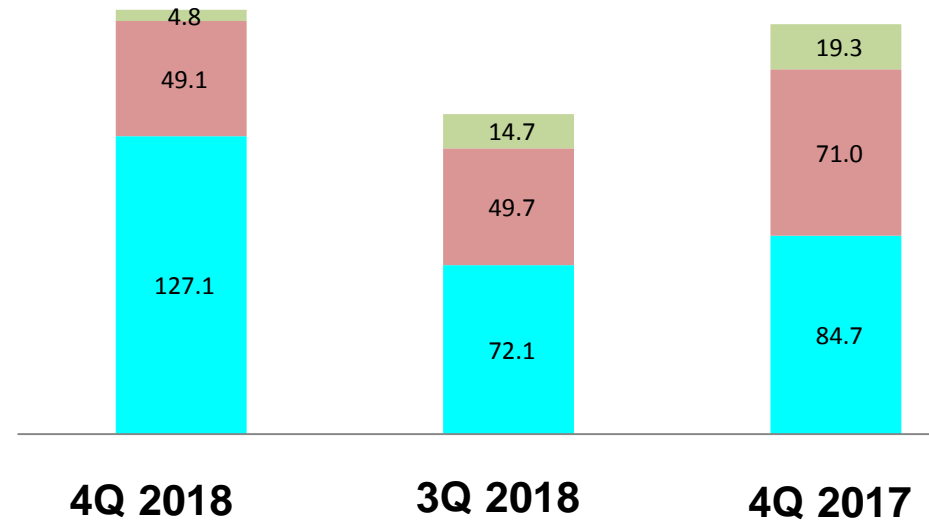
New orders

\$384.2m **\$381.9m**



Outstanding orders

\$181.0m **\$136.5m** **\$175.0m**



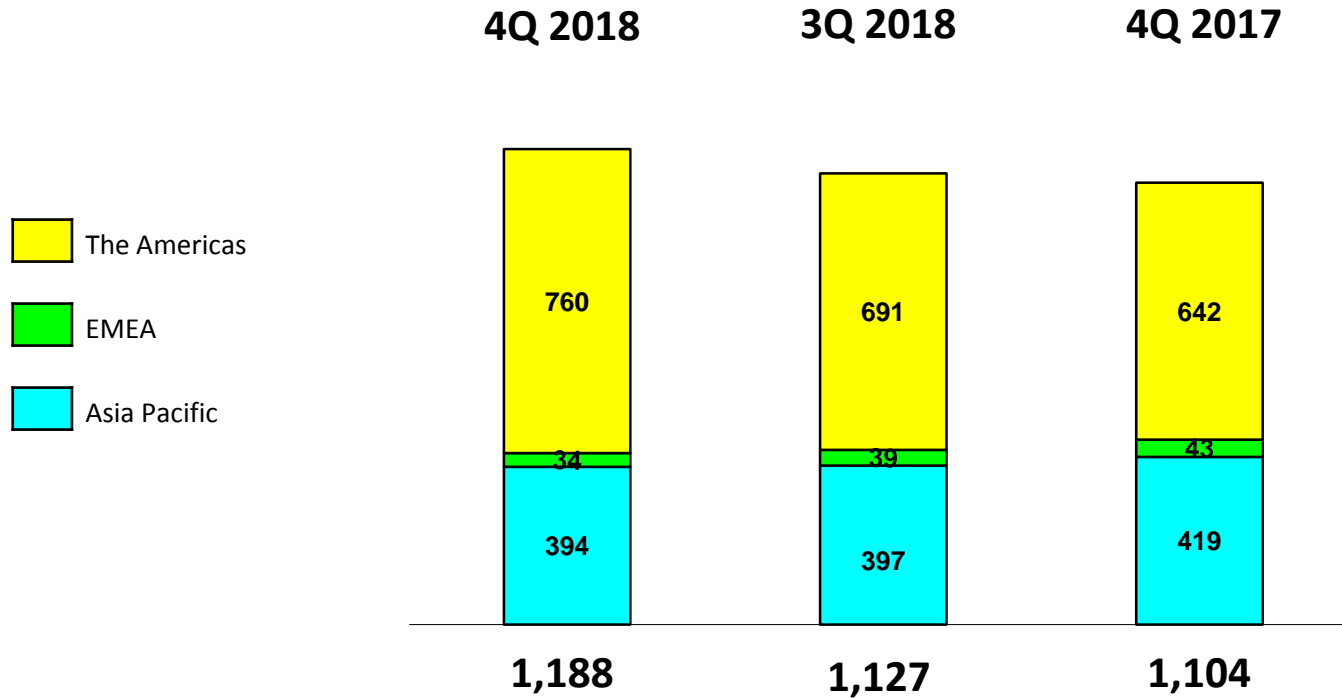
Order Intake by Industry

S\$'M	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Oil & Gas	55.1	52.6	60.5	49.5	59.1	54.8	57.8	86.4
Infrastructure	86.0	25.2	24.2	16.3	21.2	27.6	27.0	29.0
Mining	4.1	3.1	4.4	3.2	6.5	4.0	6.0	2.4
Total	145.2	80.9	89.1	69.0	86.9	86.4	90.7	117.9

Backlog by Industry

S\$'M	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Oil & Gas	45.8	54.2	60.4	60.3	78.2	101.0	106.9	103.1
Infrastructure	132.1	79.7	82.9	83.5	92.3	96.6	92.4	89.2
Mining	3.1	2.6	5.4	4.8	4.4	10.0	8.7	11.9
Total	181.0	136.5	148.8	148.6	175.0	207.6	207.9	204.2

Human Resource



Thank You

Questions & Answers