

NEWS RELEASE

Interim Business Updates – 3Q2021

- Revenue of S\$115.6 million was marginally lower by 1.9% year-on-year
- EBITDA declined to S\$9.9 million impacted by higher operating and sales costs
- Order intake surged by 32.2% to S\$120.3 million, attributed to the recovery in Energy sector orders from newly awarded power and electrification projects and higher flow work

Group Financial Highlights						
S\$' Million	3Q2021	3Q2020	Change (%)	9M2021	9M2020	Change (%)
Revenue	115.6	117.9	-1.9	350.0	373.4	-6.3
EBITDA	9.9	12.8	-22.7	33.5	41.4	-19.2
Net cash generated from operations	6.0	12.0	-50.1	21.1	46.0	-54.1
New orders received	120.3	91.0	+32.2	330.9	333.1	-0.7
Outstanding orders	216.8	267.0	-18.8	216.8	267.0	-18.8

Singapore, 11 November 2021 – CSE Global Limited (“CSE Global” or the “Group”) announced today its interim business updates for the third quarter ended 30 September 2021 (“3Q2021”).

The Group’s revenue was marginally lower by 1.9% year-on-year at S\$115.6 million, from S\$117.9 million in the previous corresponding period (“3Q2020”). This was mitigated by a strong revenue boost of 42.9% in its Infrastructure sector, despite lower time and material revenues and lower revenue recognition from large greenfield projects in its Energy sector, as well as delays in projects in its Mining & Minerals sector.

Commenting on the Group’s results, **Mr. Lim Boon Kheng, Group Managing Director of CSE Global**, said, “Against a volatile global market environment which has been impacted by supply chain disruptions and travel restrictions due to the pandemic, capital spending remained measured in the Energy sector and led to fewer large greenfield and flow projects in the last quarter, and foreseeably in the coming months. Coupled with higher operating and sales costs, this further impacted our performance in the Americas region in 3Q2021 and we expect similar challenges in the coming quarter too.”

“Nevertheless, increasing demand for digitalisation and enhancements in physical and cyber security has translated to a continuous, steady project pipeline in our Infrastructure and Mining & Minerals sectors. As a diversified, multi-sector player with widely transferrable engineering skills at our core, we remain confident in achieving a profitable financial performance in FY2021,” Mr. Lim added.

3Q & 9M2021 Financial Review

In line with lower revenue, EBITDA in 3Q2021 was S\$9.9 million, a decrease of 22.7% compared to S\$12.8 million in 3Q2020. This was due to higher selling and distribution-related costs recorded in preparation for the resumption of sales activities in key markets combined with the higher unabsorbed labour costs. Cash flow generated from operations remained stable for 3Q2021 at S\$6.0 million.

For the 9M2021 period, lower time and material, and large greenfield project revenues in the Americas region due to the Covid-19 pandemic, and uncertainty in energy prices led to a decrease in revenue in the Energy sector. Similarly, the Mining & Minerals sector recorded a decline in revenue as a result of project delays due to poor weather conditions and the Covid-19 pandemic.

Conversely, revenue for the Infrastructure sector grew by 41.1% to S\$107.3 million, with the increase attributed to a stronger pipeline of projects across Australia, Singapore and the UK.

3Q2021 Operational Update

Order Intake by Industry Sector (S\$' Million)	3Q2021	3Q2020	Change (%)
Energy	73.8	48.4	52.3
Infrastructure	35.9	30.3	18.6
Mining & Minerals	10.6	12.3	-13.7
Total	120.3	91.0	32.2

The Group's order intake in 3Q2021 grew by 32.2% to S\$120.3 million, compared to S\$91.0 million in 3Q2020. This increase is attributed to a recovery in the Energy sector orders with higher flow work orders and newly awarded power and electrification projects.

New orders for the Group's Infrastructure sector increased by 18.6% year-on-year to S\$35.9 million, which was attributed to higher orders of radio communication equipment and solutions, mainly driven by government customers in Australia.

The Mining & Minerals sector clinched S\$10.6 million worth of new orders in 3Q2021, as compared to S\$12.3 million in 3Q2020, during which the Group secured some non-recurring project installation orders.

As at the end of the quarter, the order book stood at S\$216.8 million, 18.8% lower than the S\$267.0 million in 3Q2020.

End of Release

About CSE Global Limited (“CSE Global”)

At CSE Global, we pride ourselves as a trusted, lifelong partner to our customers who always has their interests at heart. Leveraging our engineering experience, technology and diverse skill sets across our global network, we design and build customised, integrated systems for our clients that solve their problems.

Our integrated systems – from intelligent transport to smart lighting or energy management systems – sit at the heart of every infrastructure and are mission-critical in nature. With highly attuned engineering capabilities at our core, we have successfully delivered complex, large-scale projects amidst the most challenging conditions. Our technologies are designed to reduce waste, allow for greener, smarter processes and are built to last.

Listed on the Singapore Exchange since 1999 and with our presence across 16 countries, 42 offices, and 1,400 employees across the globe, we enjoy long-standing relationships with a sizeable customer base comprising large government organisations and renowned brands across the Energy, Infrastructure, and Mining & Minerals sectors.

Over the years, we have built a workplace culture and management style that is people-centric, supportive and collaborative with employee well-being and people improvement as our key focus. Our passion for our work has resulted in a consistent profit track for the past three decades, as we continue to pursue operational excellence to achieve sustainable growth and enhanced shareholder returns.

CSE Global – Customer Satisfaction Everytime.

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