



**CSE** Global

# 3Q Interim Business Update

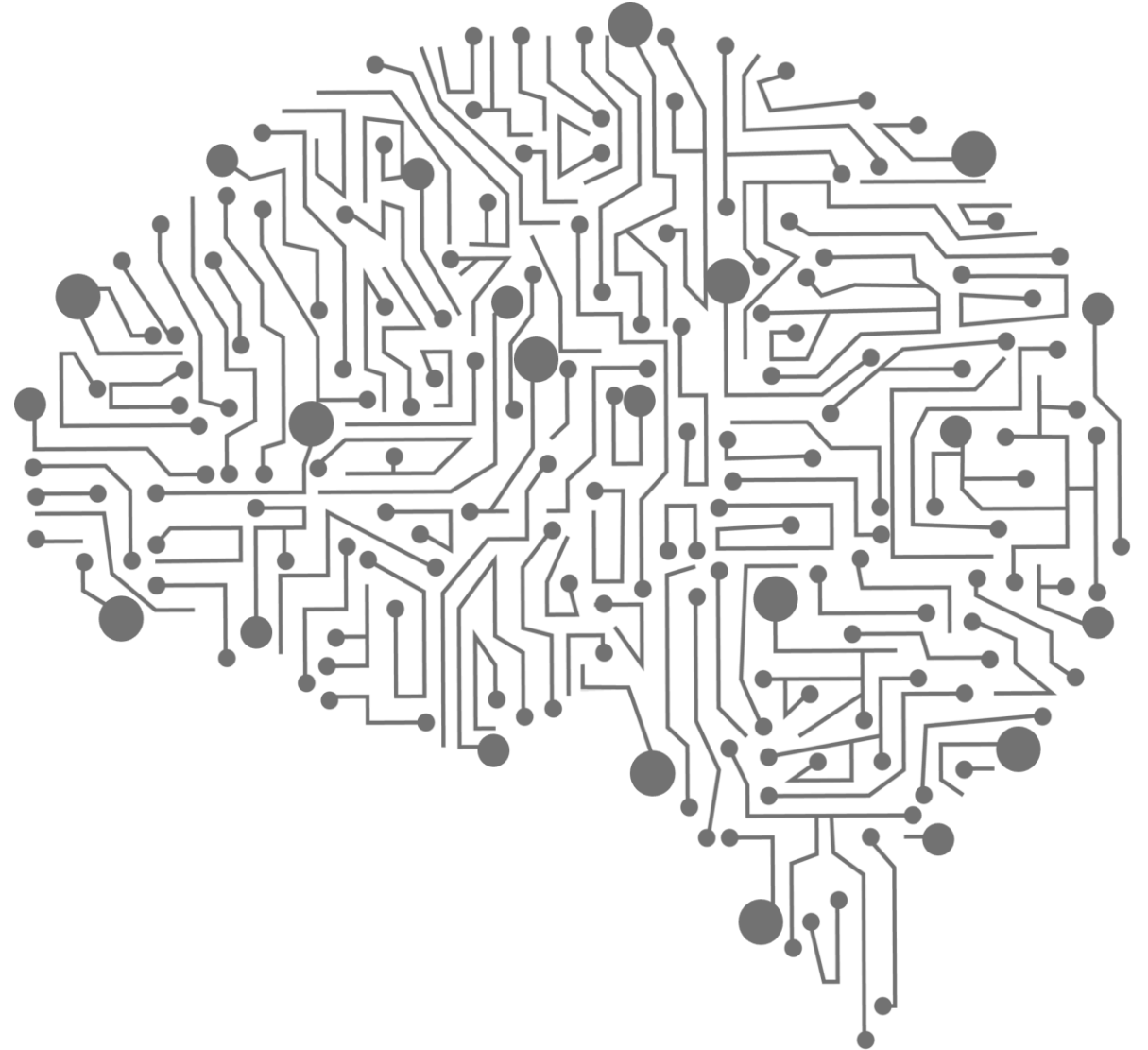
11 November 2021

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- 1 3Q21/9M21 Financial Performance
- 2 Business Overview
- 3 FY21 Key Strategies
- 4 FY2021 Outlook



# Group Performance in 3Q2021

- **Revenue: -S\$2.3m (-1.9% yoy)** due to:
  - Energy: -S\$9.3m (-12.1% yoy) as a result of lower time & material revenues and lower large greenfield project revenues recognised in the Americas region;
  - Infrastructure: +S\$11.1m (+42.9% yoy) across Australia, Singapore, UK and USA;
  - Mining & Minerals: -S\$4.1m (-27.2% yoy) due to delays in projects and lower large project revenue recognition
- **EBITDA decreased by 22.7% to S\$9.9m (-S\$2.9m)** due to higher unabsorbed labour costs, selling & distribution costs and professional fees
- **Order intake grew by 32.2% to S\$120.3m** attributed to recovery in Energy sector orders from higher flow work coupled with newly awarded power and electrification projects
- **Robust order book of S\$216.8m**
- **Generated cash inflow from operations of S\$6.0m**

## Revenue

**S\$115.6m**

▼1.9%

## EBITDA

**S\$9.9m**

▼22.7%

## Order Intake

**S\$120.3m**

▲32.2%

## Order Book as at 30 September 2021

**S\$216.8m**

## Cashflow from Operations

**S\$6.0m**

# Group Performance in 9M2021

- **Revenue: -S\$23.4m (-6.3% yoy)** due to:
  - Energy: -S\$48.0m (-18.7% yoy) as a result of lower time & material revenues and lower large greenfield project revenues recognized in the Americas region impacted by Covid-19 pandemic and uncertainty in energy prices;
  - Infrastructure: +S\$31.2m (+41.1% yoy) from stronger pipeline of infrastructure projects across Australia, Singapore and UK
  - Mining & Minerals: -S\$6.6m (-16.0% yoy) mainly attributed to delays in project execution from poor weather and Covid-19 outbreaks
- **EBITDA decreased by 19.2% to S\$33.5m (-S\$7.9m)** due to lower revenues and lower favourable exchange differences
- **Order intake was relatively stable at S\$330.9m**
- **Robust order book of S\$216.8m at the 9M mark**
- **Generated cash inflow from operations of S\$21.1m**

## Revenue

S\$350.0m

▼6.3%

## EBITDA

S\$33.5m

▼19.2%

## Order Intake

S\$330.9m

▼0.7%

## Order Book as at 30 September 2021

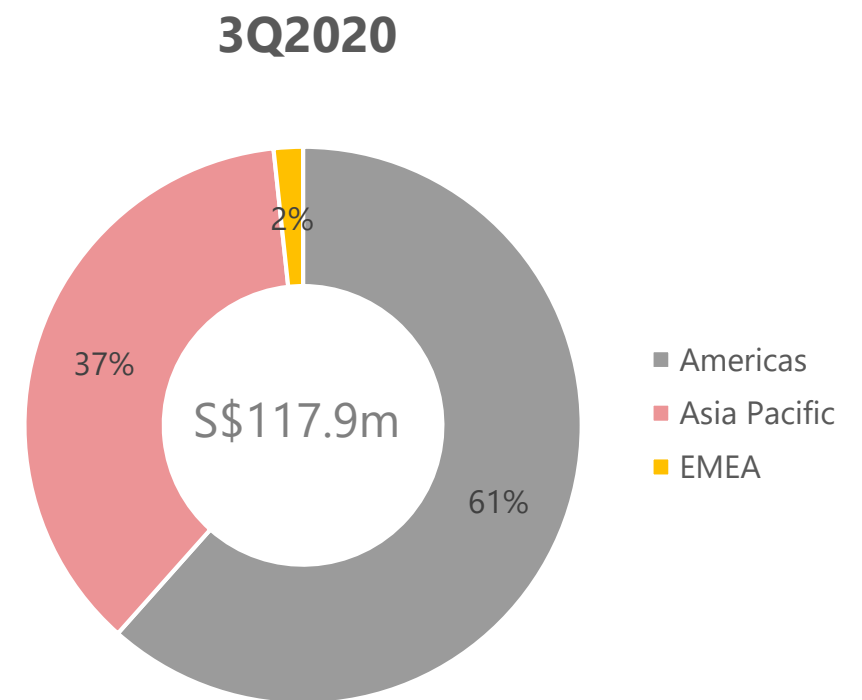
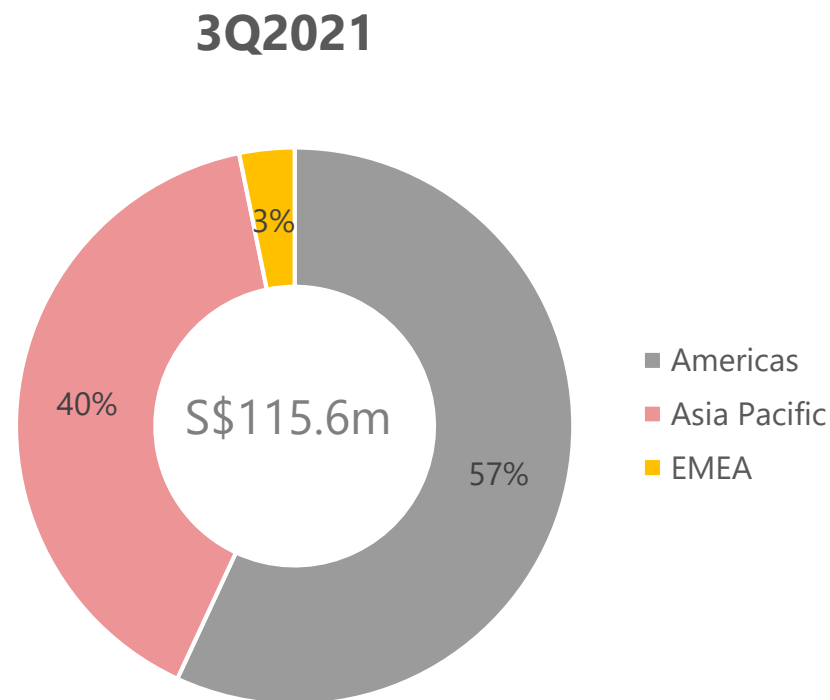
S\$216.8m

## Cashflow from Operations

S\$21.1m

# 3Q2021: Revenue Breakdown By Geographical Segments

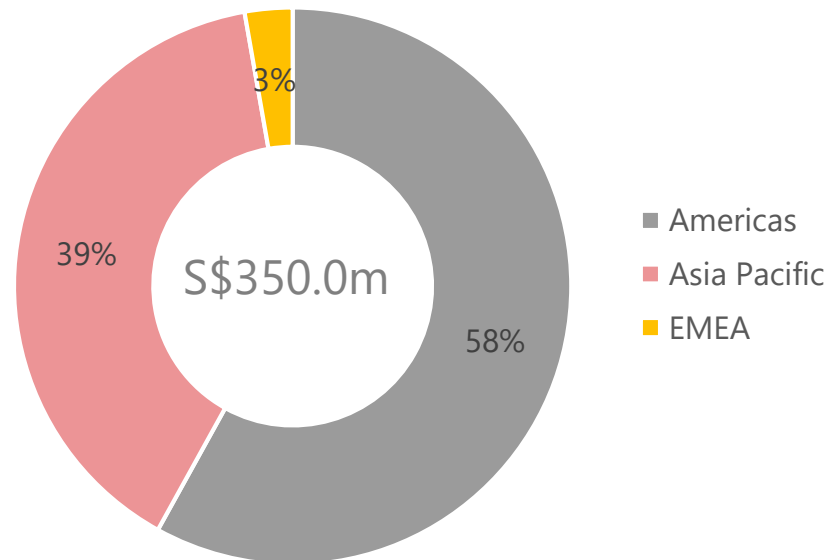
S\$ million	3Q2021	3Q2020	YoY %
Americas	65.8	72.6	-9.4%
Asia Pacific	46.1	43.3	6.5%
EMEA	3.7	2.0	86.5%
<b>Total</b>	<b>115.6</b>	<b>117.9</b>	<b>-1.9%</b>



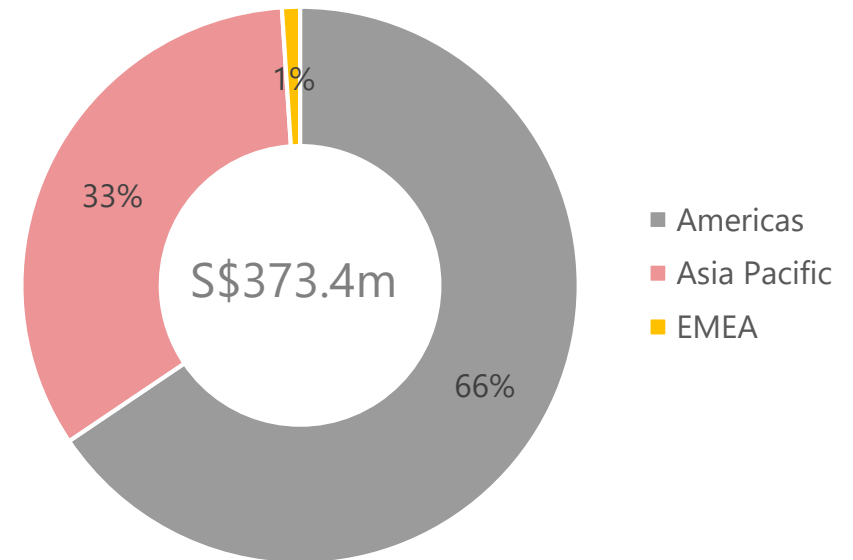
# 9M2021: Revenue Breakdown By Geographical Segments

S\$ million	9M2021	9M2020	YoY %
Americas	203.2	244.8	-17.0%
Asia Pacific	137.2	124.7	10.0%
EMEA	9.7	3.9	146.3%
<b>Total</b>	<b>350.0</b>	<b>373.4</b>	<b>-6.3%</b>

9M2021



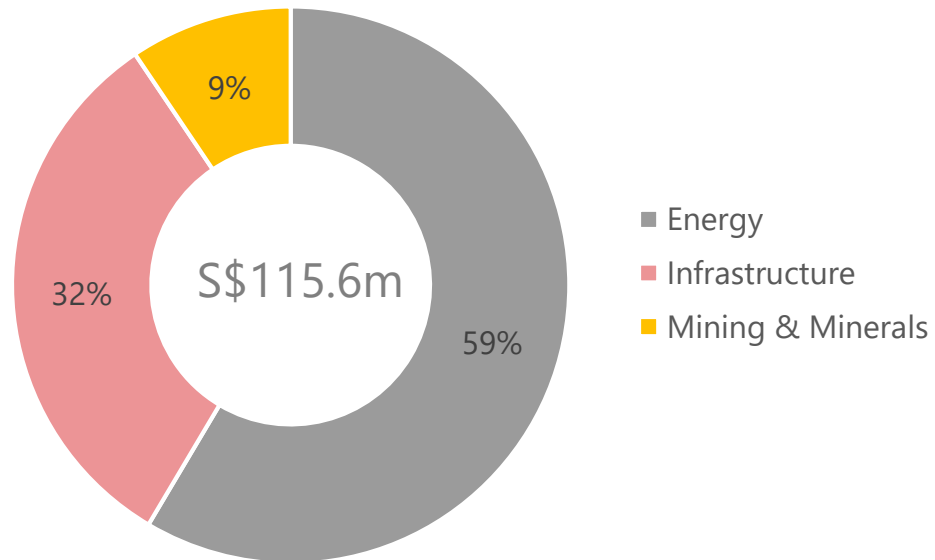
9M2020



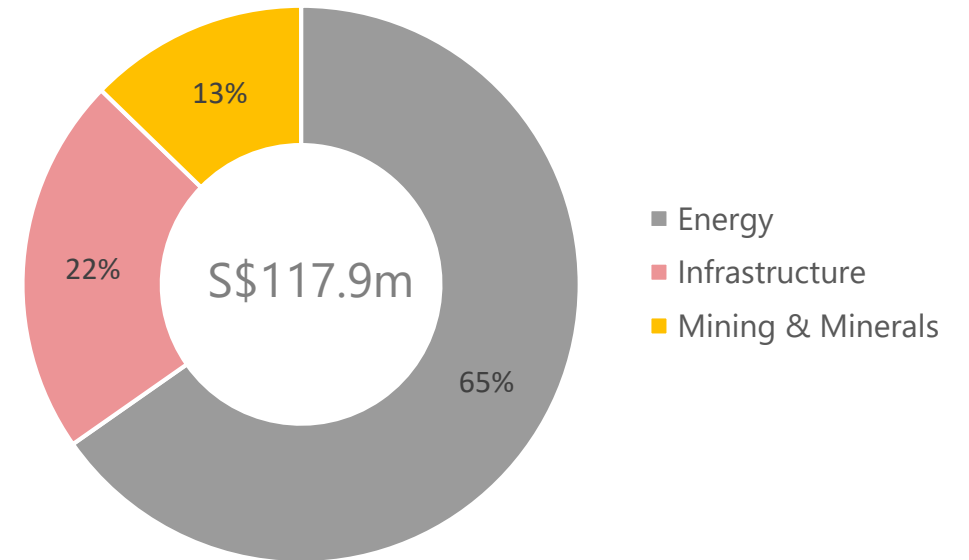
# 3Q2021: Revenue Breakdown By Industry

S\$ million	3Q2021	3Q2020	YoY %
Energy	67.6	76.9	-12.1%
Infrastructure	37.0	25.9	42.9%
Mining & Minerals	10.9	15.0	-27.2%
<b>Total</b>	<b>115.6</b>	<b>117.9</b>	<b>-1.9%</b>

3Q2021



3Q2020

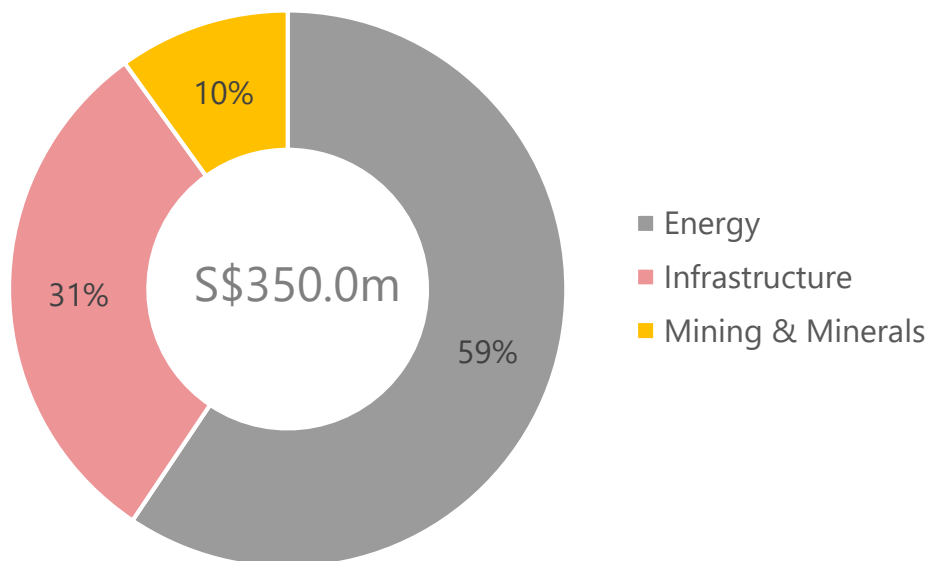




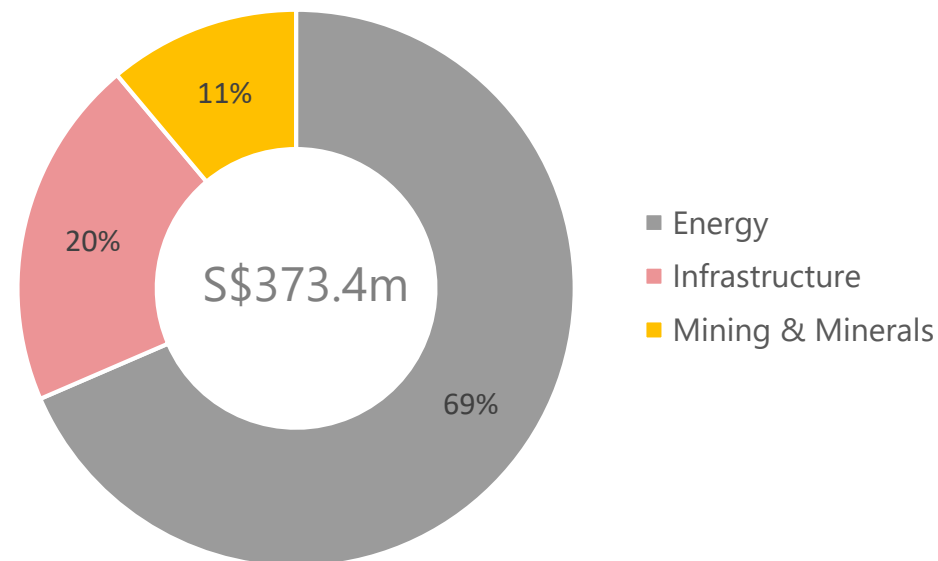
# 9M2021: Revenue Breakdown By Industry

S\$ million	9M2021	9M2020	YoY %
Energy	207.9	255.9	-18.7%
Infrastructure	107.3	76.1	41.1%
Mining & Minerals	34.8	41.5	-16.0%
<b>Total</b>	<b>350.0</b>	<b>373.4</b>	<b>-6.3%</b>

9M2021



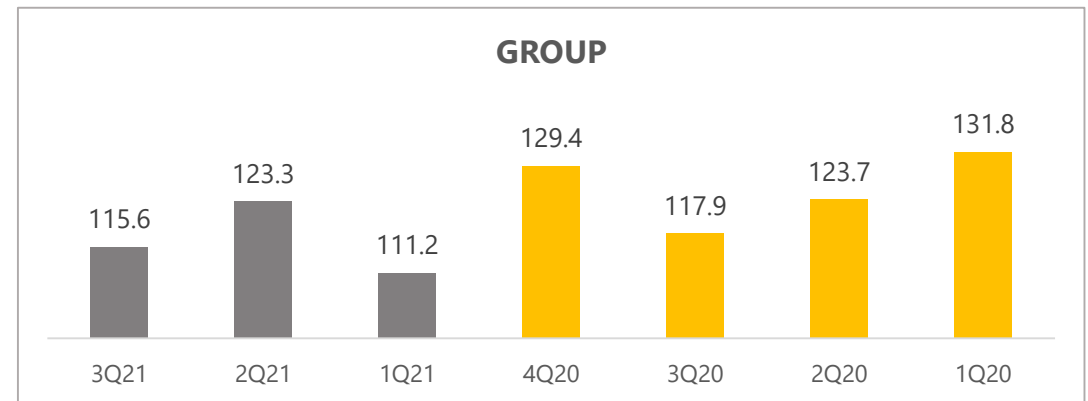
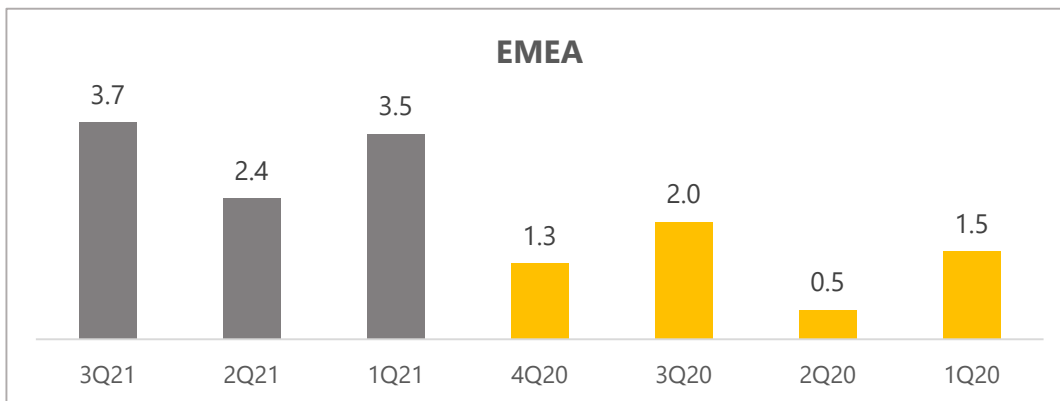
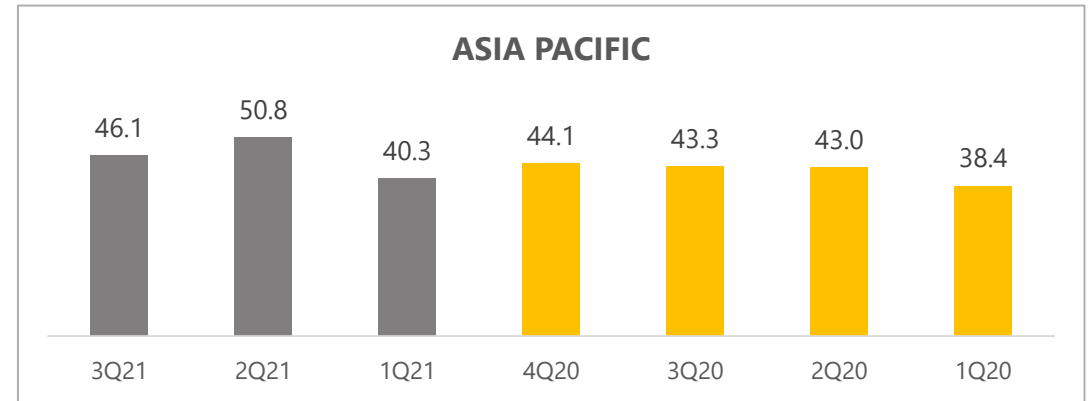
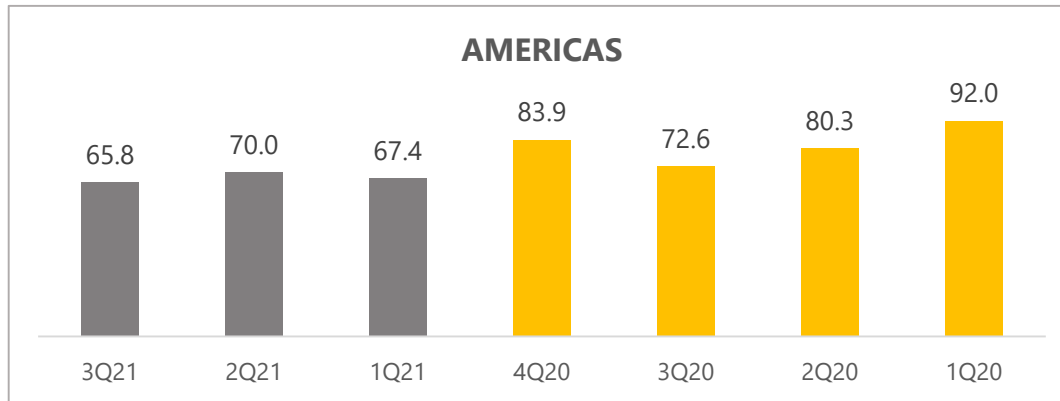
9M2020



# Quarterly Revenue Trends

## By Geography

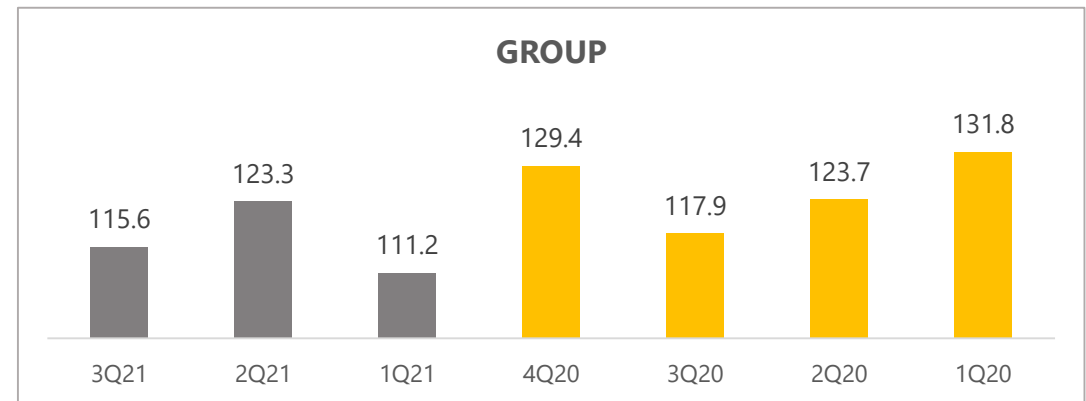
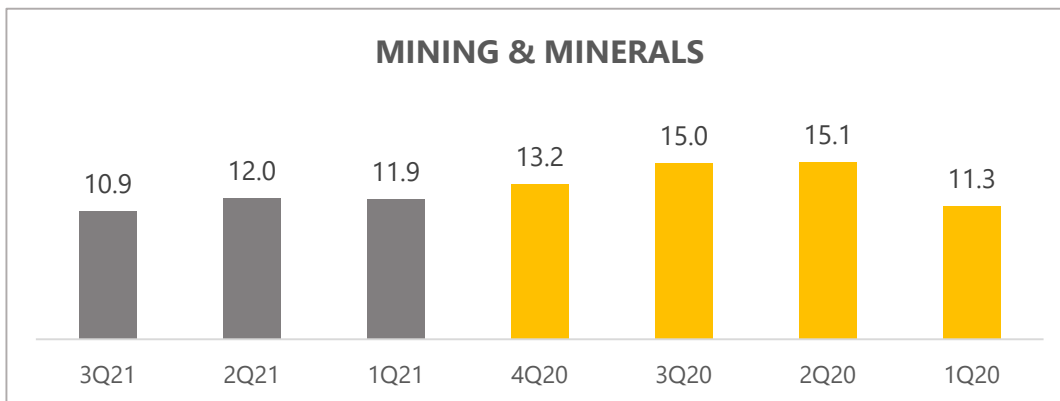
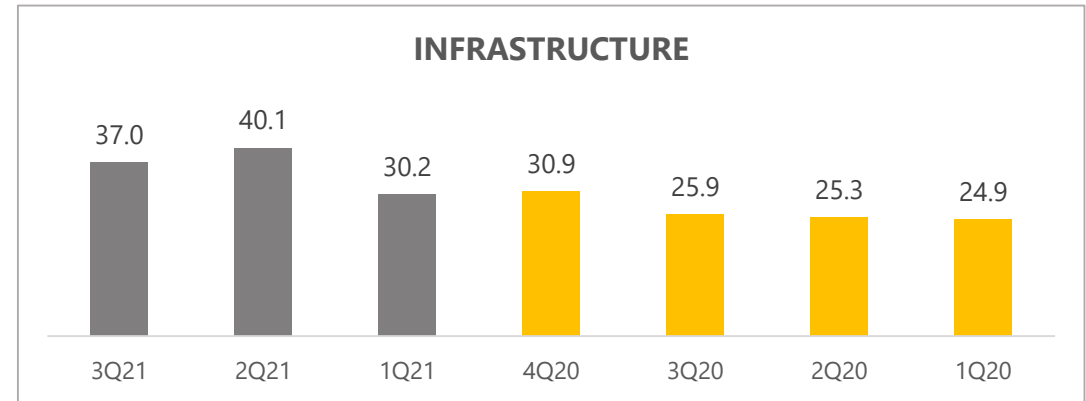
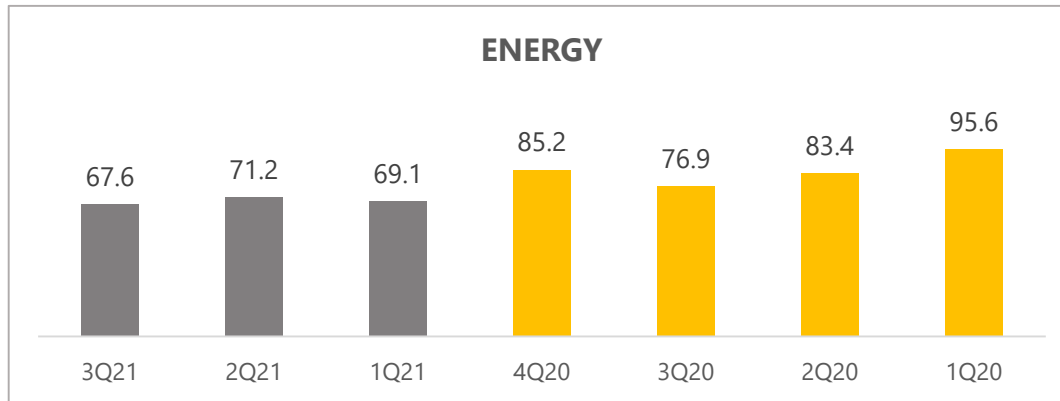
(\$ million)



# Quarterly Revenue Trends

## By Industry

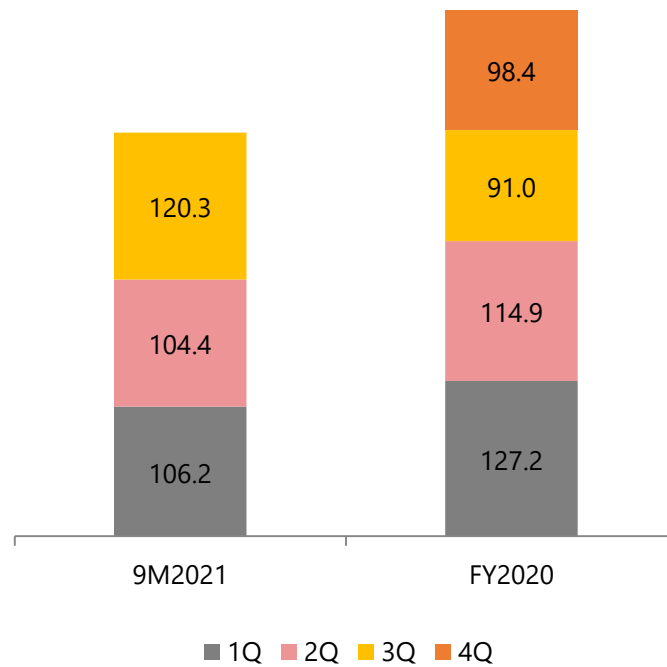
(\$ million)



# 9M2021 Order Intake/Book By Geographical Segments

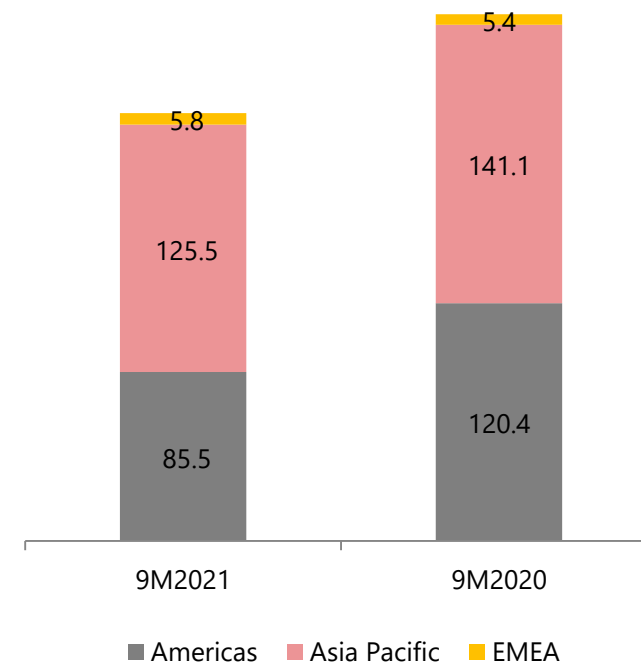
**Order Intake from Continuing Operations**

S\$330.9m      S\$431.5m



**Order Book from Continuing Operations**

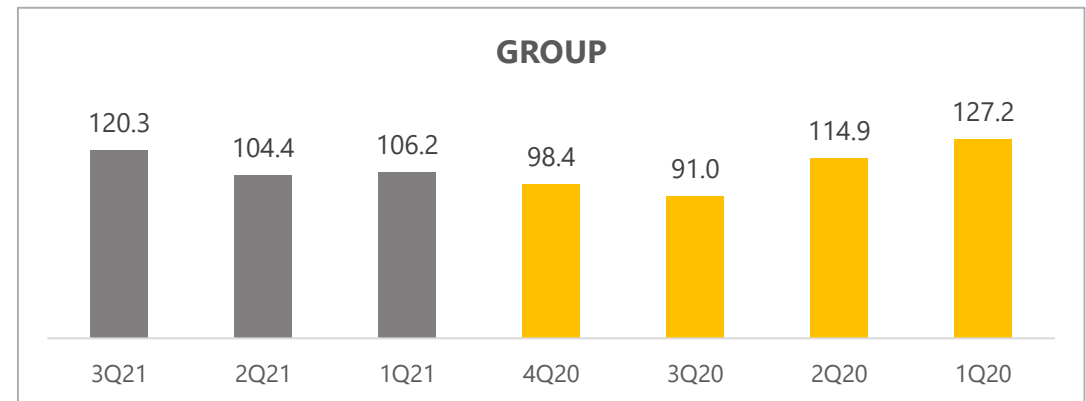
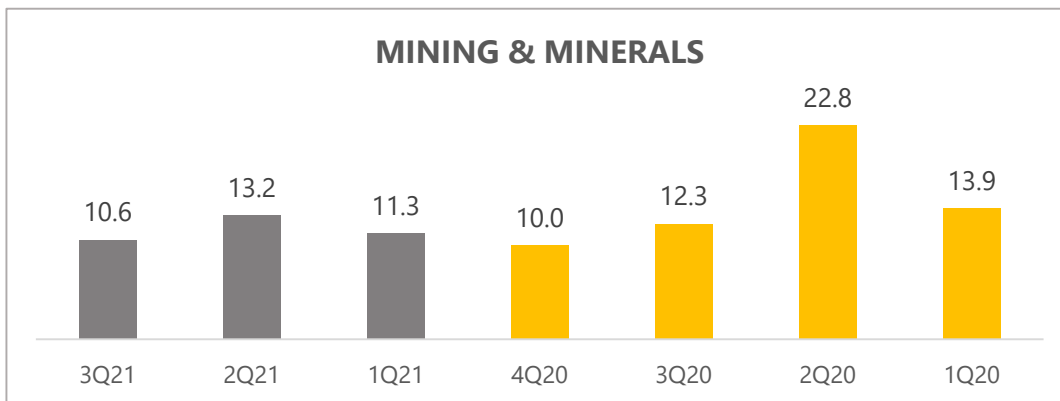
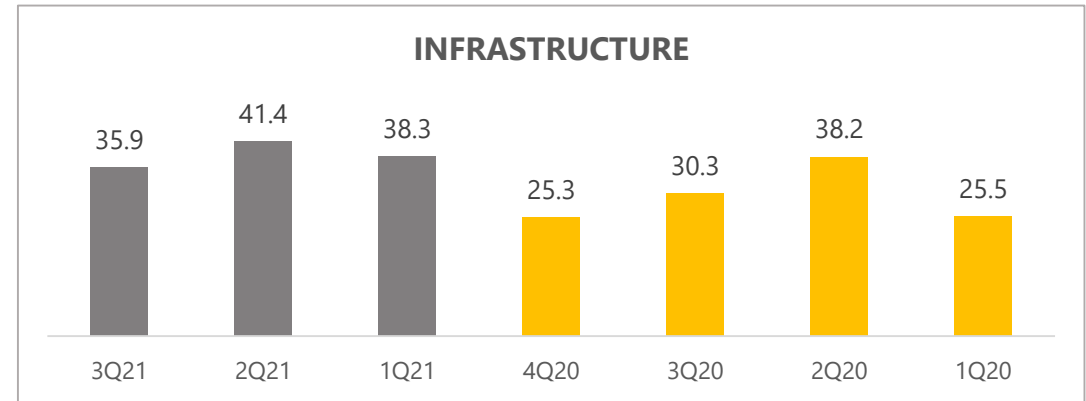
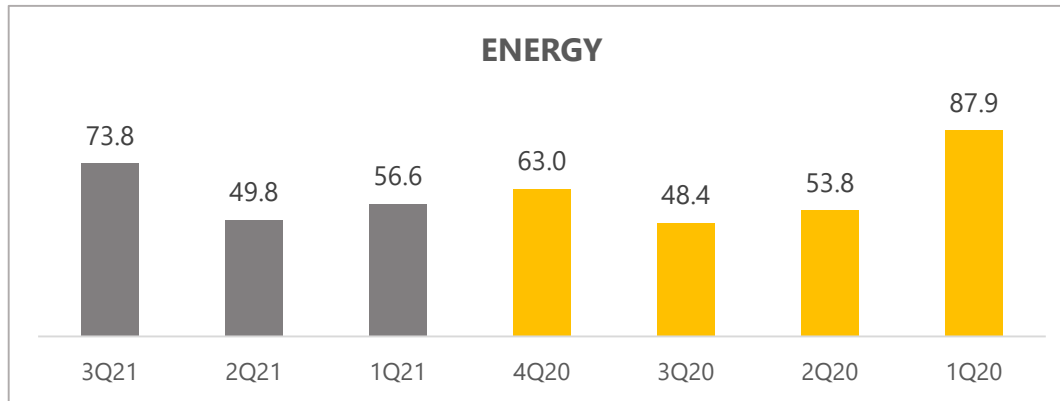
S\$216.8m      S\$267.0m



# Quarterly Order Intake Trends

## By Industry

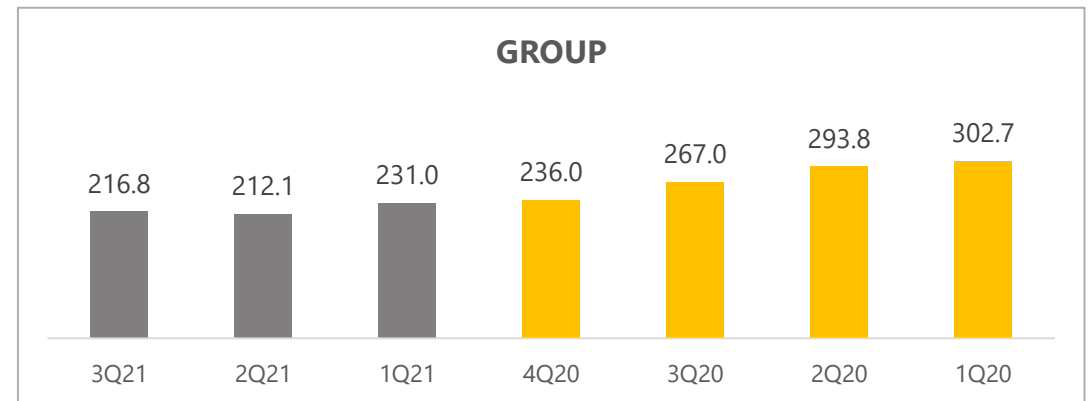
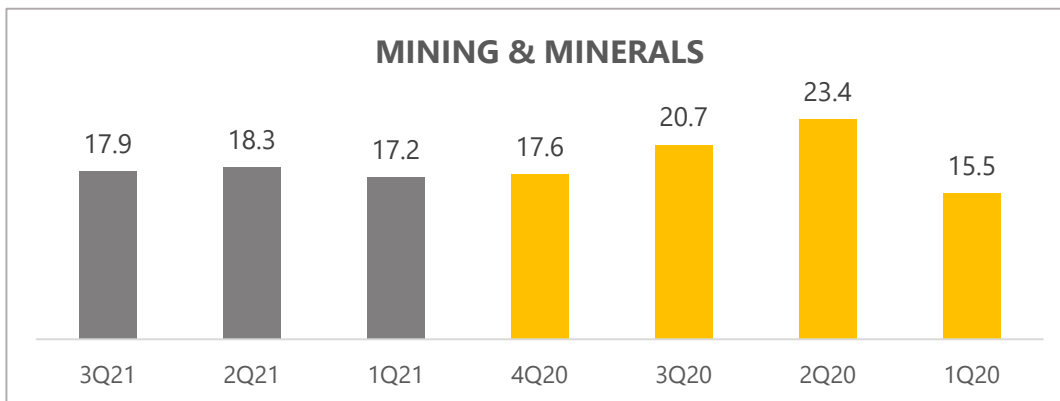
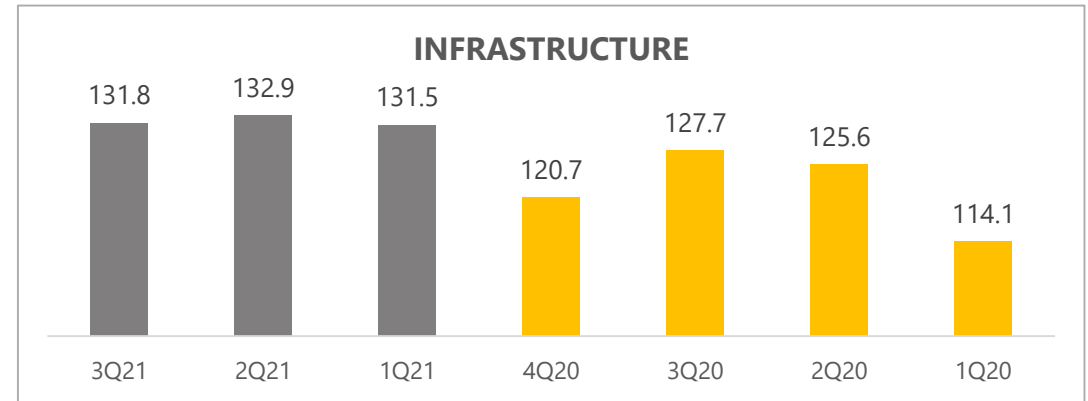
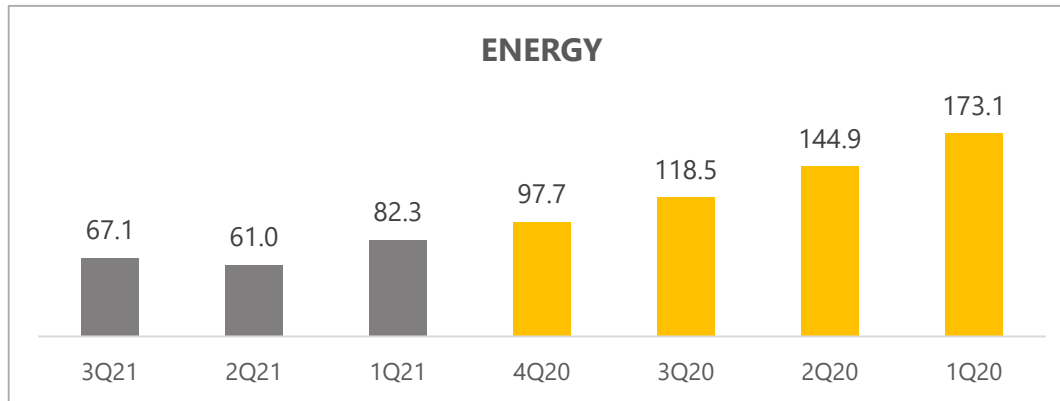
(\$ million)



# Quarterly Order Book Trends

## By Industry

(\$ million)



# Business Overview

- 3Q21 – a difficult quarter
  - Covid-19 continues to cause disruptions to business
  - Continues to face order delays, delays in equipment deliveries and productivity issues
  - Higher selling & distribution and quoting costs, to prepare for resumption of sales activities

# FY21 Key Strategies



## Energy (Americas)

- Small greenfield projects / brownfield projects in the Gulf of Mexico
- Shale projects in the US (Permian Basin & Eagleford)
- Expand geographical coverage
- Diversify into renewables, building automation and security



## Infrastructure (Singapore)

- Singapore Government
- Focus on security, transportation related projects

## Infrastructure (Australia)

- Energy Solutions
- Radio Business



## Infrastructure (International)

- Radio Business



# FY2021 Outlook



The current COVID-19 pandemic and global economic outlook which is impacted by supply chain disruptions and travel restrictions continue to present uncertainties in the markets we operate. Our customers in the Energy sector remain focused on their capital spending discipline that led to fewer large greenfield and flow projects in the last quarter and foreseeably in the coming months, which together with the higher operating and sales costs, have further aggravated the financial performance in the Americas region in Q3 and Q4 2021.

We continue to see a steady pipeline of projects from our Infrastructure and Mining and Minerals customers, supported by increasing requirements for digitalization and enhancements in physical and cyber security.

Consequently, CSE remains confident to achieve a profitable financial performance in 2021.

Going forward, we will expand our engineering capabilities and technology solutions to pursue new market opportunities and diversify into new markets (such as renewables and building automation) brought about by the emerging trends towards urbanization, electrification and decarbonisation.



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Q&A