



CSE Global

Annual General Meeting Group CEO Presentation

29 April 2024

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About CSE Global

We are a solutions provider that serves customers across a global network.

We use our engineering experience and diverse skill sets to design and build customized, integrated systems for our customers that solve their problems.

You can count on us

We are a trusted industry partner to governments and renowned brands, globally.



Listed on the
Singapore Exchange
since **1999**

No problem is too big (or too small) for us

With our team being highly-skilled engineers with deep technical capabilities at our core, we thrive on delivering complex projects across industries.



80%
highly-skilled
engineers & technicians

We deliver what you need in a socially responsible way

Our smart systems are built-to-needs and highly customized to meet customers' needs.



Greener
& smarter solutions

We deliver consistent profitability and returns to shareholders, and chart a clear growth path

We have generated steady, reasonable returns and always seek ways to enhance shareholder value.



36 years
of profitable growth

We invest in our people

We believe in being collaborative, and people-centric, with our team culture and employee well-being as important areas of focus.



Supportive
& open culture

RELIABLE • RESOURCEFUL • TAILORED • SEAMLESS • SINGLE SOURCE SOLUTION

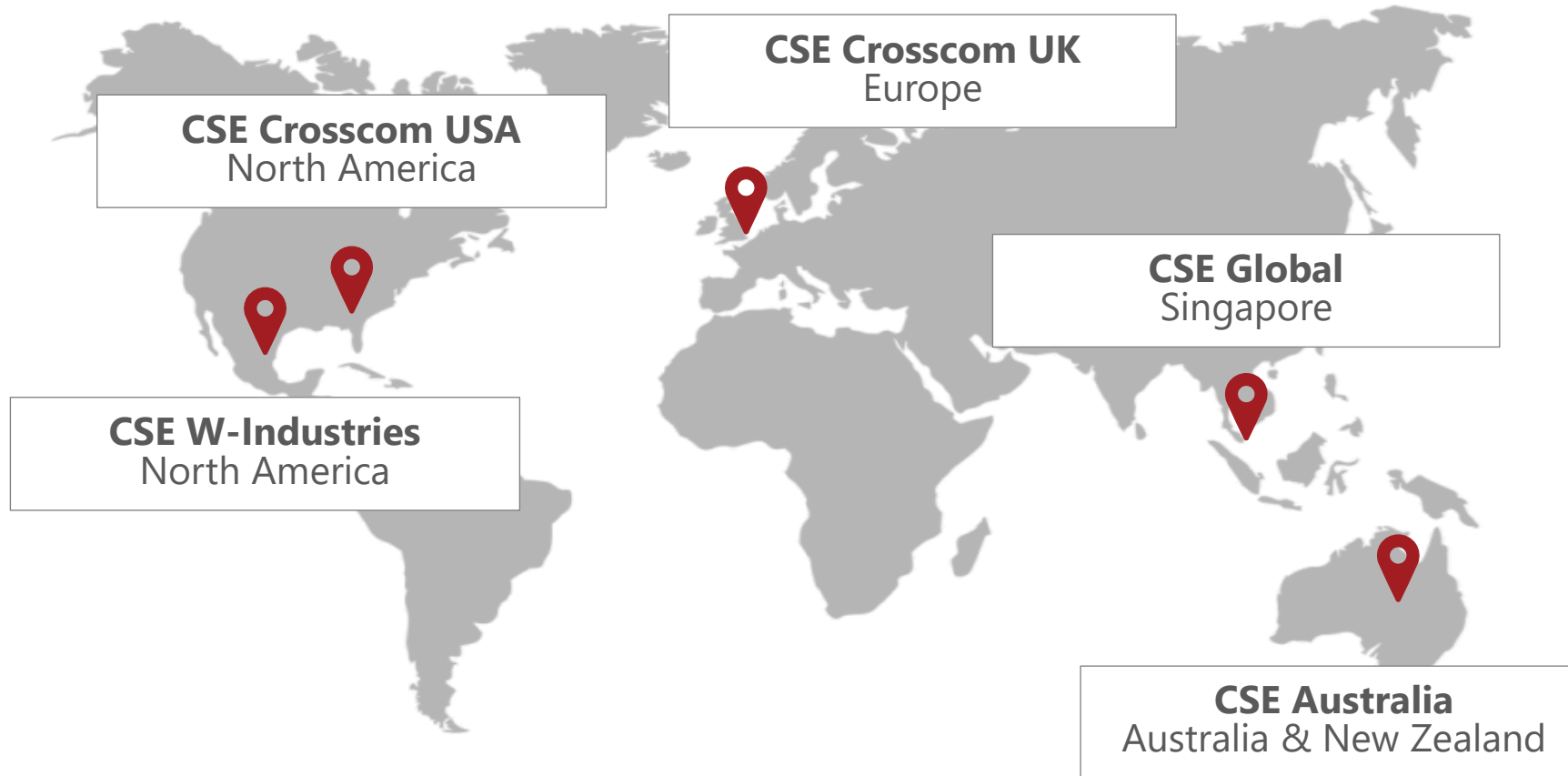
- Engineering
- Procurement
- Manufacturing
- FEED & Concept Studies
- Assembly & Development
- Commissioning & Maintenance



90%
repeat customers

30 years
long-standing customers

Our Global Footprint



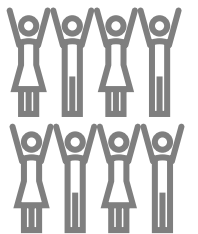
16
countries



58
offices



~2,000
employees



Our Business



Solutions provided for

Flow Business Projects

- Recurring; ~90% of revenue
- Complete, end-to-end 'program' solutions developed from concept to final commissioning and handover
- Includes Brownfield and Small Greenfield Projects that tend to be recurring in nature

Large Greenfield Projects

Our Solutions - Electrification



POWER SYSTEM PROTECTION AND CONTROL



TRANSFORMERS



ENERGY MANAGEMENT SYSTEMS



ENERGY STORAGE SYSTEMS

Power Systems Protection & Control Solutions

- Power system protection and control
- Automation and communications systems for substations and switchyards
- Power asset management, monitoring and diagnostics
- Power transformers for renewable energy generation and storage
- Motor starting equipment and management
- Electrical equipment sales, maintenance and onsite servicing
- Device data collection, analytics and advisory



Data Centres

Provision of data center electrification solutions to power 24x7 operations with switchgears, RPPs, busway, and prefabricated modular solutions in modular eHouses and skids.



Electrical Equipment Centers

Provides design, procurement and integration of various electrical equipments in an enclosure, such as HVAC systems, fire & gas detection, systems UPS systems, switchgears, battery systems, and protection and control panels.



Electric Vehicle Charging Infrastructure

Design, engineering and integration of charging station systems to the grid.



Solar Skids Package

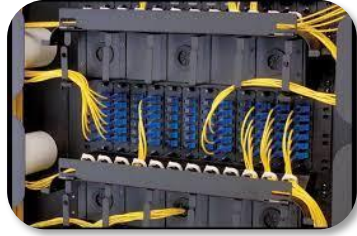
Design, engineer and manufacture of solar skids which provide a reliable and efficient transportable solution, including the capacity to provide solar power with battery backup for deployment in remote or harsh environments

Our Solutions - Communications



VSAT Satellite Communications Networks

Typically used in remote areas where conventional telecommunications are not accessible, or to backup other communications to form high reliability networks.



Fibre Optic Systems

Offer the highest throughput of all commonly used forms of communications; more secure and reliable than copper or wireless networks.



Microwave Radio Systems

Provide point-to-point or point-to-multipoint communications; complete system engineering for microwave systems.



LAN/WAN Networks

Design and construction services for LAN and WAN networks using fibre, copper, wireless or combinations of these mediums.



Conventional & Trunked Radio Systems

Complex digital trunked systems providing highly reliable, secure communications that can be delivered across a single site.



CCTV, Access, Control & FIDS Systems

High quality CCTV systems designed for remote monitoring of plant and equipment as well as providing surveillance for security applications.



Telephone Networks

Plant-wide telephone networks connected to, or integrated with, large corporate telephony networks are essential infrastructure for almost all industrial plants.



Public Address & General Alarm Systems (PAGA)

Essential safety systems which alert personnel within a plant in the event of an emergency.



SCADA & Telemetry Networks

Design and construction of high reliability SCADA/Telemetry networks, including the integration of legacy serial systems with IP-based systems.



IP-Based Networks

IP (Internet Protocol) network designs to enable IP devices to communicate with other devices while protecting them from unauthorised access.

Our Solutions - Automation



Process Control Systems

Hybrid or PLC-based systems which monitor and control the facility and auxiliary processing equipment.



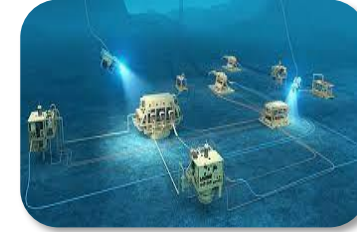
Supervisory Control & Data Acquisition

Industrial control computer system that monitors and controls an industrial infrastructure or facility, from a central location



Remote Power Line Distribution Construction Services

Safety critical systems to ensure protection of plant and personnel in potentially hazardous environments.



Subsea Control Systems

PLC-based control system installed on production facilities, to monitor and control subsea wellheads.



Wellhead Control Systems

Used to control dry wellhead valves and flowlines, in single or multi-headed wellhead systems; often interfaced to and/or controlled by the facility safety system.



Road Traffic Management & Control Systems

Application of advanced technologies for more effective road transportation



Safety Shutdown Systems

Implemented to ensure protection of plant and personnel in potentially hazardous environments



Process Skid Systems

The chemical injection system disperses a wide array of treatment chemicals into the production flow lines.



Plant Information Management Systems

Information infrastructure that transforms real-time data into operation intelligence and integrates production information with the enterprise business system.



Specialised Furnace Systems

The design, engineering and supply of industrial multi-hearth furnace systems for industrial processing of materials.

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Business Overview

Business Updates

1

FY2023 Highlights

- Current global economic outlook and inflationary pressures continue to present uncertainties in the markets
- The Americas region returns to profitability
- Gross margin relatively stable around 27.6% in FY2023 vs 26.2% in FY2022
- EBITDA margin of 8.8% in FY2023 as compared to 6.0% in FY2022
- Higher order intake of S\$990.2 million in FY2023
- Order book stood robust at S\$730.6m as at 31 December 2023

2

Segmental Performance

Building on diversification initiatives, with a focus on **Electrification in USA and ANZ** and **Communications in ANZ, SG, UK & USA**

1. Electrification

- Securing more water/wastewater and power distribution projects to support rising demand of power
- Actively pursuing opportunities in renewables, energy storage, data centres and related infrastructure in USA and ANZ

2. Communications

- Strengthening Communications business in ANZ/UK through integration/optimization of acquired businesses
- Pursue new acquisitions to grow our Communications business in USA
- Focus on critical communications and security solutions
- Consistent flow revenues and profitable

3. Automation

- Stable stream of project and maintenance revenues
- Focus on infrastructure related business

3

Key Strategies

- Small greenfield/ brownfield projects (Gulf of Mexico)
- Renewables projects
- Power / data center projects
- Radio, Voice & Data Communications

- Singapore Government
- Security, transport & communications-related projects



4

Acquisition Strategy

- Acquisition remains a key growth strategy
- Focus areas will be in complementary and adjacent capabilities:
 - Electrification and critical communications
 - USA, Europe and Australia/New Zealand
- Will acquire within means, whenever suitable opportunities arise
 - No high gearing

Group Performance in FY2023

Revenue

S\$725.1m

▲ 30.0%

Order Intake

S\$990.2m

▲ 20.9%

EBITDA

S\$63.6m

▲ 90.5%

Cashflow from Operations

S\$72.0m

▲ 692.6%

Net profit

S\$22.5m

▲ 372.4%

Return on equity

10.4%

▲ 8.2p.p

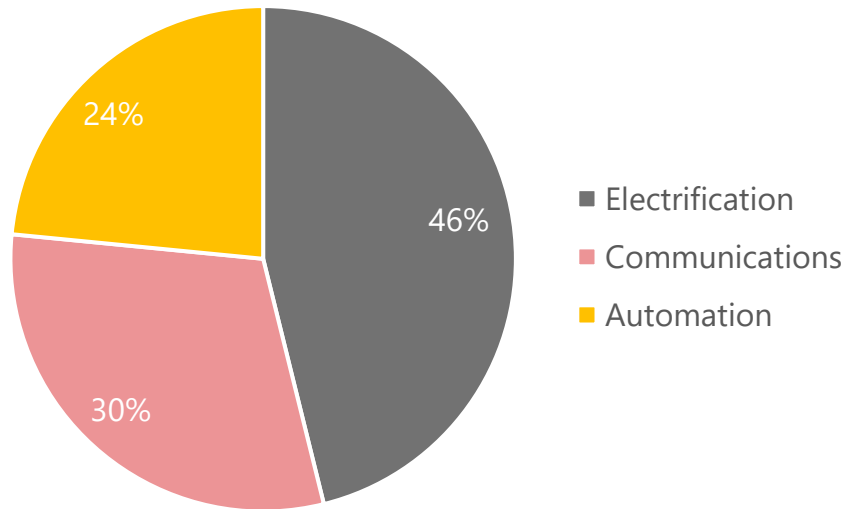
Summary of Financials

S\$ million	FY2023	FY2022	Change
Revenue	725.1	557.7	30.0%
Gross profit	199.9	146.2	36.7%
Operating expenses	(161.5)	(138.0)	17.0%
EBITDA	63.6	33.4	90.5%
Net profit attributable to equity owners of the Company	22.5	4.8	372.4%
Gross margin (%)	27.6%	26.2%	1.4p.p
EBITDA margin (%)	8.8%	6.0%	2.8p.p
Net margin (%)	3.1%	0.9%	2.2p.p
Net cash generated from operations	72.0	9.1	692.6%
Net cash/(debt)	(76.0)	(72.2)	5.3%
Order intake	990.2	818.7	20.9%
Order book	730.6	480.1	52.2%
ROE (annualised)	10.4%	2.2%	8.2p.p

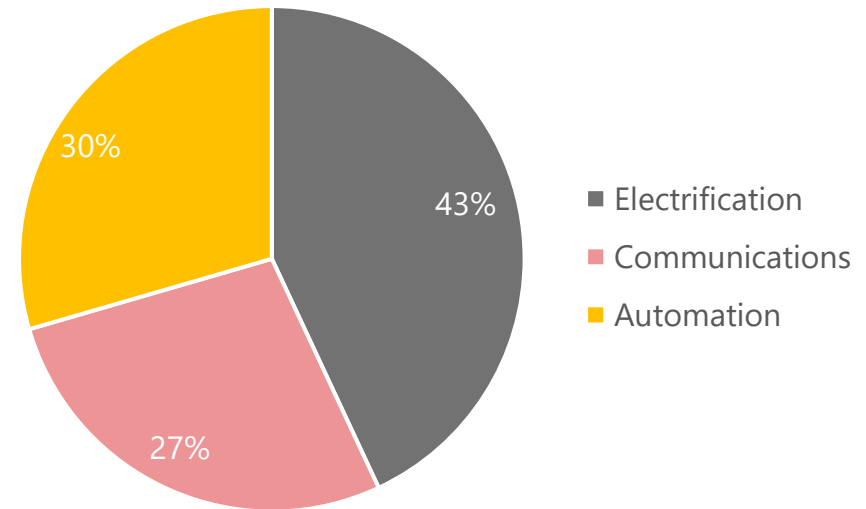
FY2023: Revenue Breakdown By Business Segments

S\$ million	FY2023	FY2022	YoY %
Electrification	334.5	240.1	39.4%
Communications	220.5	153.1	44.0%
Automation	170.0	164.5	3.3%
Total	725.1	557.7	30.0%

FY2023

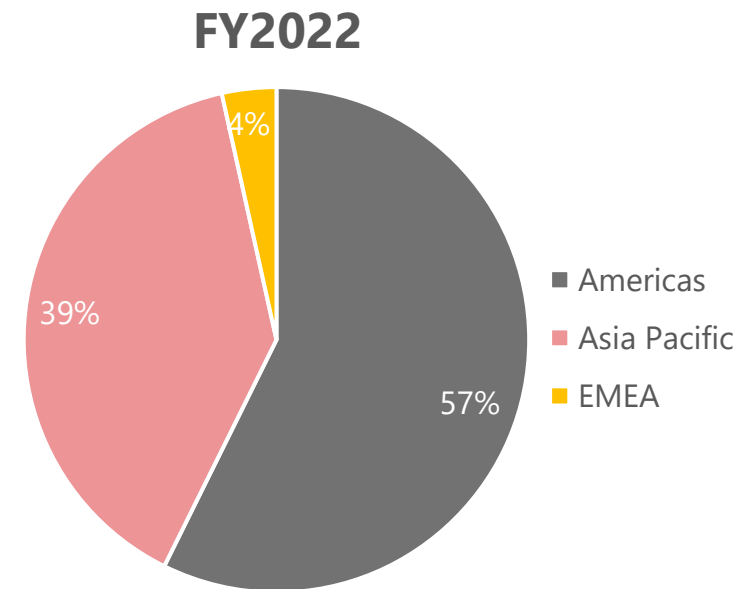
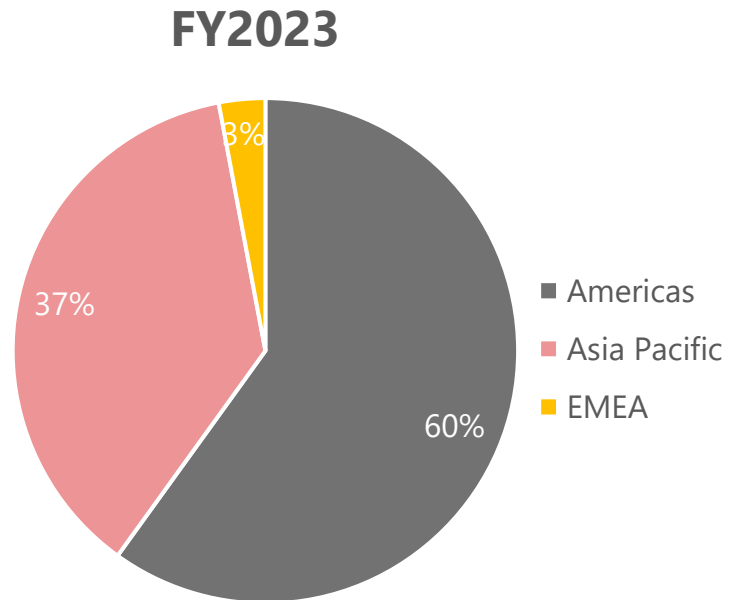


FY2022



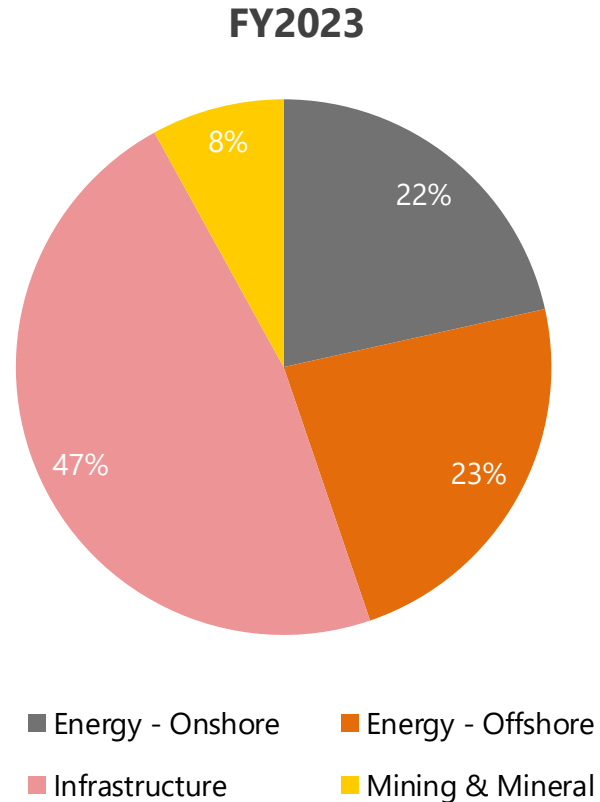
FY2023: Revenue Breakdown By Geographical Segments

S\$ million	FY2023	FY2022	YoY %
Americas	434.6	319.7	35.9%
Asia Pacific	268.9	218.6	23.0%
EMEA	21.5	19.4	10.9%
Total	725.1	557.7	30.0%



FY2023 Revenue Breakdown By Industry Segments

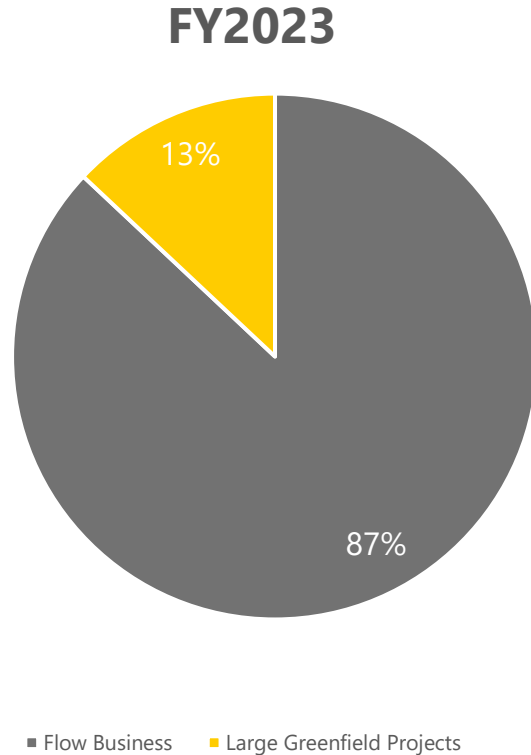
We have a sizeable base of loyal customers. Some of our customers have been with us for over 30 years, and 90% are repeat customers.



S\$ million	FY2023	FY2022	YoY %
Energy - Onshore	156.0	134.6	15.9%
Energy - Offshore	168.5	142.1	18.6%
Infrastructure	342.3	219.4	56.1%
Mining & Mineral	58.1	61.6	-5.6%
Total	725.1	557.7	30.0%

Infrastructure: Power, Water, Waste Treatment & Transportation

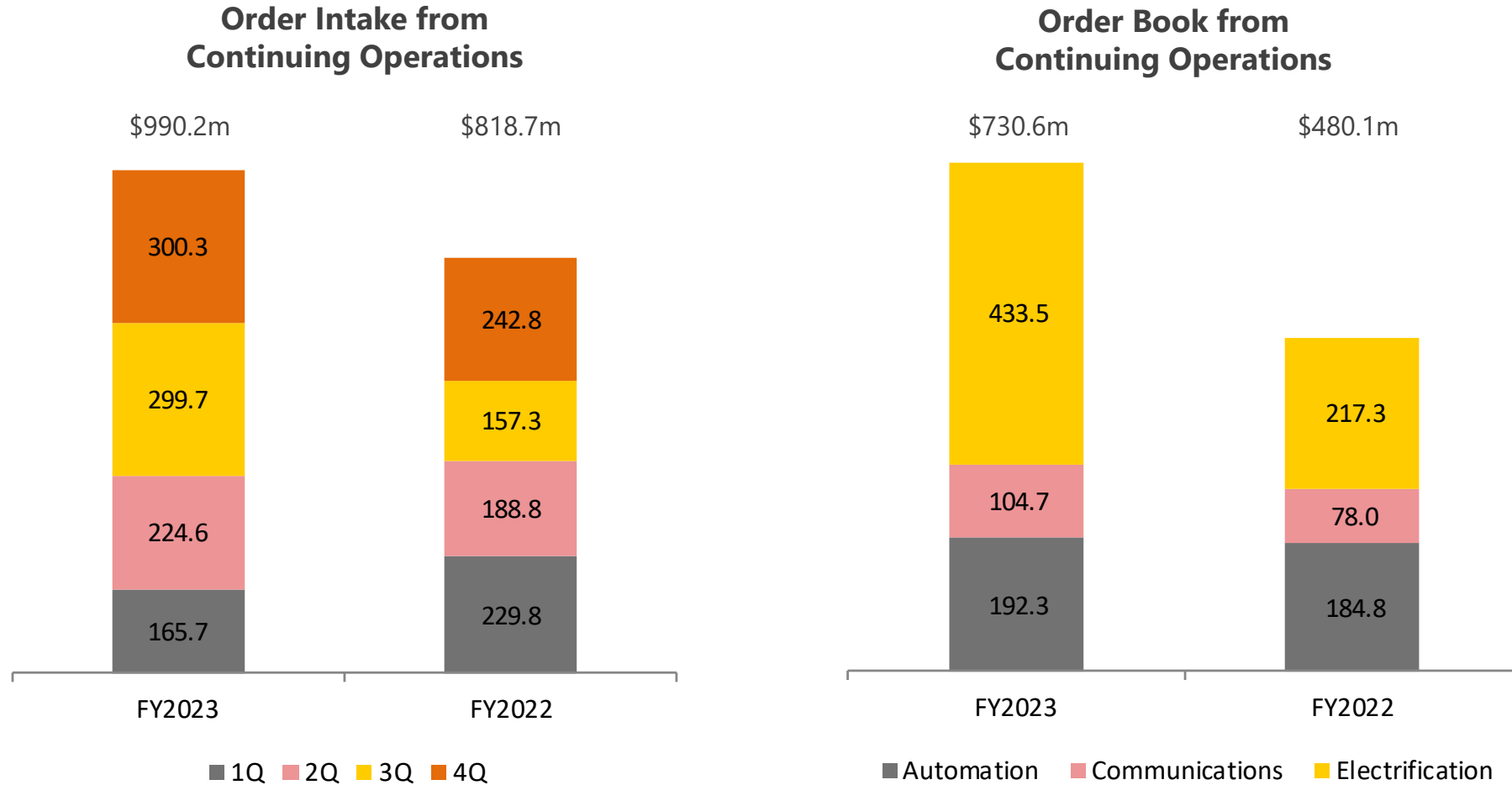
FY2023 Revenue Breakdown By Projects



S\$ million	FY2023	FY2022	YoY%
Flow Business *	629.6	502.5	25.3%
Large Greenfield Projects	95.5	55.2	73.0%
Total	725.1	557.7	30.0%
Flow Business %	87%	90%	

**Includes Brownfield and Small Greenfield Projects which tend to be recurring in nature*

FY2023 Order Intake/Book By Geographical Segments



Order Intake and Order Book by Business Segments

	Order Intake			Order Book		
S\$ million	FY2023	FY2022	YoY%	FY2023	FY2022	YoY%
Automation	181.5	267.2	-32.1%	192.3	184.8	4.1%
Communications	247.7	156.1	58.7%	104.7	78.0	34.3%
Electrification	561.1	395.4	41.9%	433.5	217.3	99.5%
Total	990.2	818.7	20.9%	730.6	480.1	52.2%

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Growth Strategy

Growth Drivers – Emerging Megatrends

Urbanisation



- Currently, 56% of the world's population (4.4 billion) live in cities.
- According to The World Bank⁽¹⁾, this figure is expected to be more than doubled by 2050.

Electrification



- Process of substituting fossil-fuel sources of power with electricity generated from renewable energy sources (One of the most important strategy for reducing CO₂ emissions).
- According to Precedence Research⁽²⁾, the Global Electrification Market will reach a size of US\$172.9 billion by 2032, growing at a CAGR of almost 9% between 2023 and 2032.

Decarbonisation



- Process of removal or reduction of CO₂ output into the atmosphere.
- Plays a very important role in limiting global warming.
- According to Deloitte⁽³⁾, decarbonisation requires a fundamentally different energy system, such as alternative energy sources based on green electricity and green molecules.

⁽¹⁾ The World Bank, April 2023 – Urban Development

⁽²⁾ Precedence Research, March 2023 - Electrification Market

⁽³⁾ Deloitte Article – What is decarbonisation?

Growth Strategy – Diversification and Expansion

Diversification into new markets brought about by emerging trends

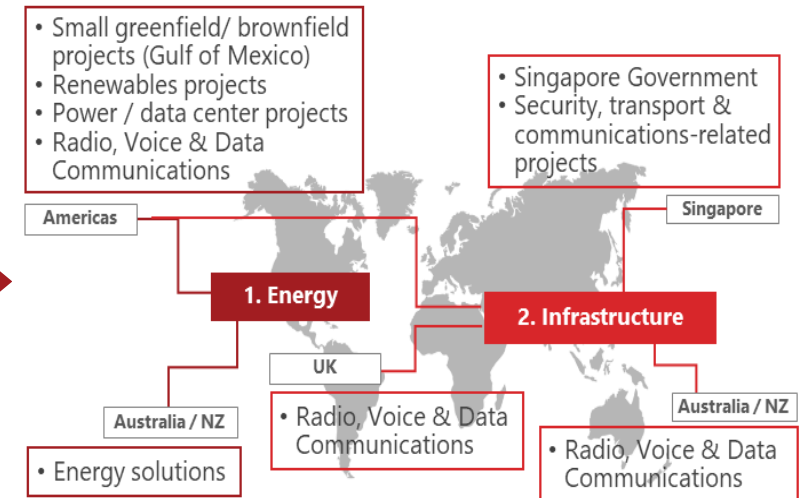


- Increasing demand for key products such as:
 - ✓ Power systems protection and control solutions
 - ✓ Critical communications
 - ✓ Wind and Solar Systems
 - ✓ Battery energy storage systems
 - ✓ Electric-vehicle charging infrastructure

Diversification

Expansion

Expansion of engineering capabilities in key markets



- Acquisition remains a key growth strategy
- Focus areas will be in complementary and adjacent capabilities:
 - Energy and Infrastructure segments
 - USA, Europe and Australia/New Zealand
- Will acquire within means, whenever suitable opportunities arise

Growth Plans - Critical Communications

Our Solutions

- Private network
- Provides push-to-talk (PTT) and public switch telephone network (PSTN) using tetra radio/LTE network

Where we are today:

- UK
- USA
- Australia & New Zealand
- Singapore

Where we want to be:

- Operate globally
- Expand into USA



FY2024 Outlook

- The current global economic outlook and inflationary pressures continue to present uncertainties in the markets we operate. Despite these uncertainties in the macroeconomic environment, our strategy to focus in Electrification and Communications businesses will continue to yield positive outcomes for the Group in the future.
- In FY2023, CSE has achieved its goal of receiving S\$1 billion of new orders and generating 55% of the business from Infrastructure and Mining/Minerals customers, signifying a significant improvement in its performance and outlook.
- With a record order book of S\$730.6 million as at 31 December 2023 and continued growth in the Electrification and Communications businesses, CSE is well positioned to achieve a stronger financial performance in 2024.
- Going forward, on the back of a prudent cashflow management and optimal capital structure, we will expand our engineering capabilities and technology solutions (organically and through acquisitions), in automation, electrification and critical communications, to pursue new market opportunities and diversify into new markets brought about by the emerging trends towards urbanization, electrification and decarbonisation.

Dividend

S\$ million	FY2023	FY2022	FY2021
Dividend (cents):			
- Interim	1.25	1.25	1.25
- Final	1.50*	1.50	1.50
Payment date	26 June 2024 [#]		
Book closure	13 May 2024		
AGM	29 April 2024		

- **Proposes final dividend of 1.5 cents per share to be approved by shareholders at AGM on 29 April 2024.**
- # subject to scrip dividend scheme being approved**

Scrip Dividend Scheme

- Scrip dividend scheme applies to any particular cash dividend (including interim, final, special or other dividend).
- Shareholder may elect to receive fully paid new shares in lieu of the cash amount of that dividend which is declared.
- Scrip dividend scheme will be applicable to the proposed final one-tier tax-exempt dividend of S\$0.015 per share in respect of the financial year ended 31 December 2023.

Rationale:

- Fund the growth and expansion
- Retention of cash would strengthen the working capital position
- Enhance financial flexibility

Scrip Dividend Scheme

Key information on the Scrip Dividend Scheme:

- All shareholders are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Overseas Shareholders per paragraph 4.2 of our Scrip Dividend Scheme.
- No partial or permanent election.
- Fractional entitlements are rounded down to the nearest whole number and the fraction will be disregarded. No cash will be paid on such disregarded fraction of a new share.
- Issue price of the new share will be set at an amount no more than 10% discount to the average of the daily volume weighted average prices of the shares during the price determination period, or such other discount as may be permitted by the SGX-ST.

Scrip Dividend Scheme

Application of Scrip Dividend Scheme to FY2023 Final Dividend

- Record Date: 10 May 2024 at 5pm.
- Eligibility: All shareholders are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Overseas Shareholders per paragraph 4.2 of our Scrip Dividend Scheme. Overseas shareholders need to provide to Company's share registrar or CDP with addresses in Singapore by 7th May 2024 at 5pm.
- Notices of election to be despatched to eligible shareholders on 20 May 2024 and shareholders may elect to participate in the Scrip Dividend Scheme in respect of all, and not part only, of their holdings of shares.
- Issue price of new shares shall not be set at more than 10% discount to the average of the daily volume weighted average prices of the shares during the price determination period between 9 May 2024 and 10 May 2024 (both dates inclusive) (being the period commencing on the date on which the shares are first traded on an ex-basis and ending on the Record Date. The Company will announce the issue price on 10 May 2024.

Scrip Dividend Scheme

Application of Scrip Dividend Scheme to FY2023 Final Dividend

- Fractional Entitlements:
 - Where the number of new shares to be issued to a shareholder pursuant to the Scrip Dividend Scheme is not less than one (1) and includes a fraction, the number of new shares which will be issued to such shareholder will be rounded down to the nearest whole number and the fraction will be disregarded. No cash will be paid on such disregarded fraction of a new share.
 - Where the number of new shares to be issued to a shareholder pursuant to the Scrip Dividend Scheme is less than one (1), the dividend will be paid in cash. No new shares will be issued to such shareholder regardless of the election submitted.
- Last day for eligible shareholders to submit election notice is 31 May 2024 at 5pm.
- Dividend payment date for the new shares is on 26 June 2024.



CSE Global

Q&A