



## NEWS RELEASE

### CSE Global reports revenue of S\$557.7 million and net profit of S\$4.8 million in FY2022

- Revenue increased 19.0% year-on-year, mainly attributable to growth in infrastructure project revenues
- Healthy order book of S\$480.1 million as at 31 December 2022, lifted by new orders for Infrastructure sector recording 131.2% year-on-year growth
- Board recommends final one-tier tax-exempt dividend of 1.50 Singapore cents per ordinary share

Group Financial Highlights						
S\$'000	2H2022	2H2021	Change (%)	FY2022	FY2021	Change (%)
Revenue	295,513	234,206	26.2%	557,699	468,661	19.0%
Gross profit	73,395	65,871	11.4%	146,184	135,877	7.6%
EBITDA	15,377	19,226	-20.0%	33,400	42,789	-21.9%
Net profit	235	4,932	-95.2%	4,769	15,003	-68.2%
Gross profit margin	24.8%	28.1%	-3.3pp	26.2%	29.0%	-2.8pp
Net profit margin	0.1%	2.1%	-2.0pp	0.9%	3.2%	-2.3pp
Net cash generated from operations	952	21,177	-95.5%	9,086	36,288	-75.0%
New orders received	386,628	251,510	53.7%	808,361	462,065	74.9%
Outstanding orders	480,063	229,401	109.3%	480,063	229,401	109.3%

**Singapore, 27 February 2023** – CSE Global Limited (“CSE Global” or the “Group”), a global technologies company, announced today its financial results for the full year ended 31 December 2022 (“FY2022”).

Revenue increased by 19.0% year-on-year to S\$557.7 million from S\$468.7 million in the previous corresponding year (“FY2021”) mainly due to growth in infrastructure project revenues in Australia and the Americas region. Despite higher revenues, net profit declined by 68.2% to S\$4.8 million, mainly impacted by lower gross margins from higher project execution costs and cost overruns, as well as higher operating expenses.

In the second half of the year (“2H2022”), the Group restructured a business division in USA in line with periodic reviews of its various business operations around the world. Post-exercise, a one-off restructuring cost of S\$1.3 million was incurred in order to focus on profitable income streams for the future. The Group also recorded a loss of S\$5.9 million in 2H2022 due to cost overruns in two projects, whereby the costs to execute these were under-accounted for. These factors led to a drop in net profit for the period.

Mr Lim Boon Kheng, Group Managing Director of CSE Global, said, “FY2022 was an exciting year for CSE Global, where we saw our diversification strategy pay off through the year-on-year growth in revenue and orders. We successfully completed our rights issue with the support of our shareholders, as well as the acquisition of Logic Wireless and Radio One Group, which will further strengthen our offerings in the radio communications solutions space.”



“While CSE Global saw significant growth in new orders received during the year, our margins have been impacted by an increase in project execution costs due to ongoing supply chain disruptions and project cost overruns. Looking ahead, we will be laser-focused on integrating our latest acquisitions and executing backlog orders while closely monitoring our costs,” added Mr Lim.

The Board of Directors has recommended final one-tier tax-exempt dividend of 1.50 Singapore cents per ordinary share for 2H2022. Together with the dividend of 1.25 Singapore cents per ordinary share paid in 1H2022, this brings the total dividend pay out to 2.75 Singapore cents for the full year. The payment of the final dividend will be on 18 May 2023.

## **FY2022 Financial Review**

In FY2022, Group revenue rose 19.0% year-on-year to S\$557.7 million, mainly attributed to growth in infrastructure project revenues in Australia and the Americas region. In line with higher revenues, gross profit increased by S\$10.3 million or 7.6% year-on-year to S\$146.2 million. Gross margin decreased by 2.8% to 26.2% in FY2022, impacted by an increase in project execution costs due to supply chain disruptions and cost overruns from some projects, particularly in the Americas region.

During the year, the Group’s operating expenses were 19.1% or S\$22.2 million higher year-on-year at S\$138.0 million, mainly due to higher personnel costs of S\$7.3 million, a one-off restructuring cost of S\$1.3 million, higher selling and distribution expenses of S\$4.5 million, an increase in upkeep of building and equipment costs of S\$3.4 million and a S\$6.3 million impact from newly acquired subsidiaries.

EBITDA decreased by 21.9% to S\$33.4 million as compared to FY2021 of S\$42.8 million, mainly attributed to lower gross margins, higher operating expenses and less favourable exchange gain differences of S\$0.9 million, which was offset by higher gain on disposal of property, plant and equipment of S\$4.4 million.

With higher interest costs of S\$2.7 million year-on-year, offset by lower tax expense of S\$1.1 million, net profit for FY2022 decreased by 68.2% year-on-year to S\$4.8 million from S\$15.0 million in FY2021.

The Group generated a cash inflow from operations of S\$9.1 million in FY2022, due to higher working capital requirements of S\$21.2 million in FY2022 to support new projects secured during the year. The Group issued new shares pursuant to the rights issue completed on 19 December 2022, raising net proceeds of S\$33.4 million for the purpose of acquisitions.

The Group’s net debt position was S\$72.2 million as at end of December 2022, as compared to December 2021 of S\$48.9 million, attributable to S\$34.1 million for acquisitions in FY2022, capital expenditure of S\$15.5 million and dividend payments of S\$14.1 million, offset against S\$33.4 million net proceeds from the rights issue.

As at 31 December 2022, the Group’s earnings per ordinary share (“**EPS**”) was 0.89 Singapore cents and cash and bank balances was S\$34.2 million.

## FY2022 Revenue Performance By Geography

Revenue by Geography (S\$'000)	2H2022	2H2021	Change (%)	FY2022	FY2021	Change (%)
Americas	170,661	134,789	26.6%	319,701	272,203	17.4%
Asia Pacific	114,135	93,176	22.5%	218,585	184,284	18.6%
EMEA	10,717	6,241	71.7%	19,413	12,174	59.5%
<b>Total</b>	<b>295,513</b>	<b>234,206</b>	<b>26.2%</b>	<b>557,699</b>	<b>468,661</b>	<b>19.0%</b>

In FY2022, the geographical regions of the Americas, Asia Pacific and Europe/Middle East/Africa (“**EMEA**”) contributed 57.3%, 39.2% and 3.5% to revenue respectively.

The Americas region registered a 17.4% increase in revenue for FY2022 of S\$319.7 million as compared to FY2021 of S\$272.2 million, mainly attributed to higher project, time and material revenue achieved. Despite higher revenue achieved in FY2022, the Americas region reported a loss before interest and tax of S\$10.7 million due to increased project execution costs from supply chain disruptions and cost overruns from certain projects, which resulted in lower gross margin, as well as higher operating and sales costs of S\$9.3 million, offset by a gain of disposal of property, plant and equipment of S\$4.0 million.

The Asia Pacific region reported strong growth of 18.6% in FY2022 revenue to S\$218.6 million due to higher mining & minerals and infrastructure project revenue in Australia. EBIT rose by 8.8% year-on-year to S\$22.2 million amidst an unfavourable sales mix and higher operating expenses.

The EMEA region registered a 59.5% increase in revenues from S\$12.2 million in FY2021 to S\$19.4 million in FY2022 mainly due to contributions from new acquisitions in the United Kingdom and hence, an improvement in EBIT to S\$2.0 million.

## Operational Update

Order Intake by Industry Segment (S\$'000)	2H2022	2H2021	Change (%)	FY2022	FY2021	Change (%)
Energy	164,588	159,293	3.3%	402,862	265,680	51.6%
Infrastructure	187,851	68,027	176.1%	341,546	147,721	131.2%
Mining & Minerals	34,189	24,190	41.3%	63,953	48,664	31.4%
<b>Total</b>	<b>386,628</b>	<b>251,510</b>	<b>53.7%</b>	<b>808,361</b>	<b>462,065</b>	<b>74.9%</b>

The Group’s Infrastructure sector secured S\$341.5 million of new orders in FY2022, as compared to S\$147.7 million in FY2021. The 131.2% surge in new orders was mainly due to higher orders secured for the wastewater and data centre market in the Americas region and a multi-year system maintenance contract from the Singapore Government, as well as stronger orders for radio communication equipment and solutions led by utility and renewable customers in Australia.

In FY2022, new orders for the Group’s Energy sector was 51.6% higher at S\$402.9 million as compared to S\$265.7 million in FY2021. This was due to the maintenance and refurbishment of building management control system for an offshore facility, a large greenfield order in the renewables space as well as more orders for integrated control systems.



The Mining & Minerals Sector clinched S\$64.0 million worth of new orders in FY2022, compared to S\$48.7 million in FY2021. This was mainly due to an LTE system project secured for a mine site in Australia and a steady pipeline of orders for radio communication network projects from mining customers in Australia.

As at December 2022, the Group's order book remains robust, standing at S\$480.1 million.

### 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 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, 51 offices, and more than 1,800 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.

Visit [www.cse-global.com](http://www.cse-global.com) for more information.

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