



# FY2022 Results Briefing

27 February 2023



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## Today's Agenda

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### Business Updates

Mr Lim Boon Kheng, Group CEO

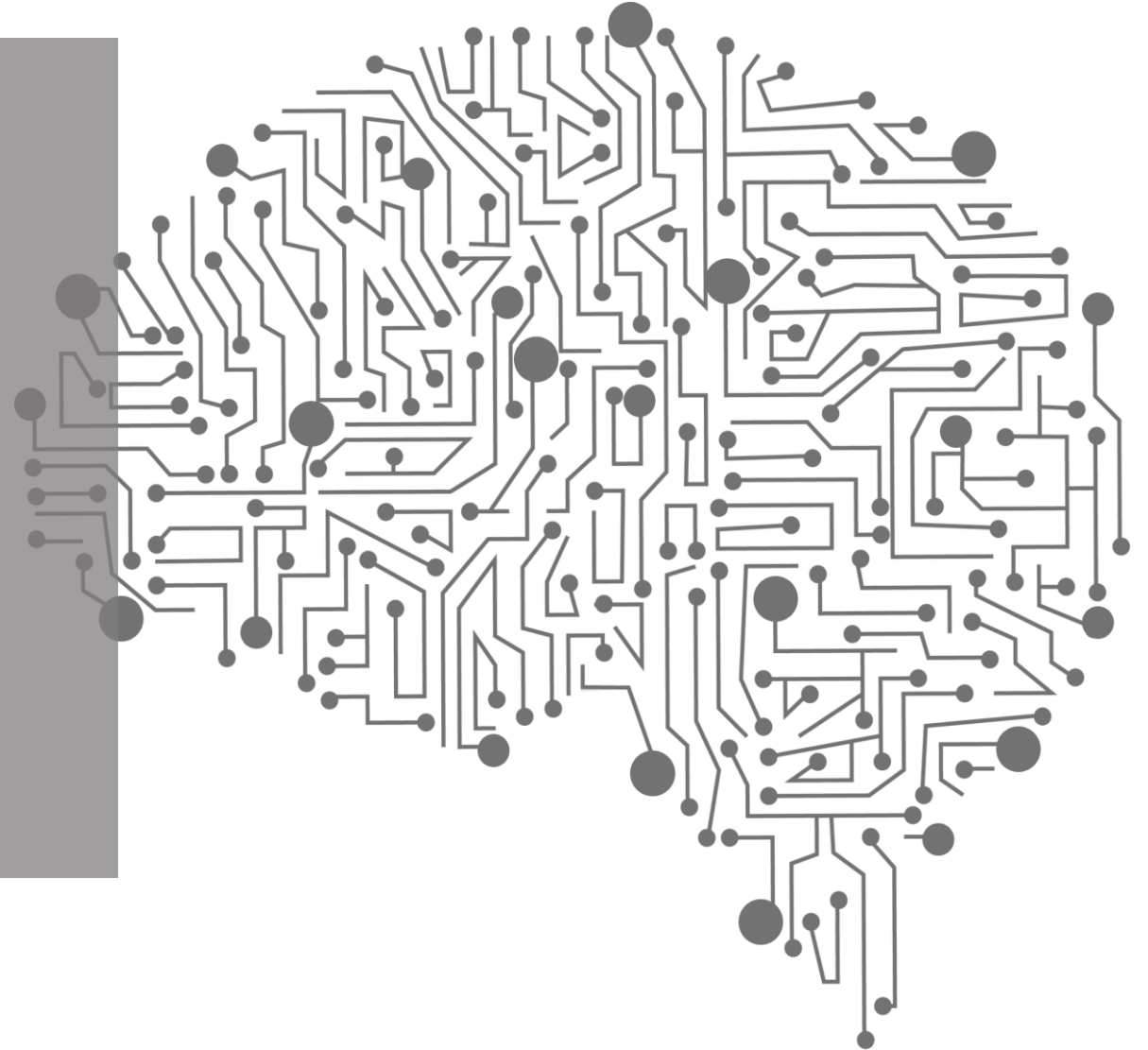
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### FY2022 Financial Performance

Mr Eddie Foo, Group CFO

3

### Q&A Session



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## Business Updates

Mr Lim Boon Kheng,  
Group CEO

# 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.



**35 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**



## OUR GLOBAL FOOTPRINT



Americas | Asia Pacific | Europe | Middle East | Africa

**16**  
countries

**51**  
offices

**>1,800**  
employees

## OUR SOLUTIONS ACROSS KEY SECTORS

### Our systems sit at the heart of every infrastructure and are critical

- CCTV / Security Systems
- Emergency Safety Systems
- Facility / Integrated Control and Safety Systems
- Fire & Gas Systems
- IT/OT and Networking Services
- Industrial Cybersecurity and Hardening Service
- Operator Training Systems
- Process Control Systems
- Subsea Master Control Station (MCS)
- SCADA and Data Management Systems
- Subsea Electrical Power Units (EPU)
- Simulation, Testing & Support



### 1. Energy

- Offshore: shallow sea, continental shelf & deep sea
- Onshore: shale, pipeline & chemical/petrol-chemical



### 2. Infrastructure

- Transportation (road, rail, air)
- Power utilities (generation & distribution)
- Water / wastewater utilities



### 3. Mining & Minerals

- Commodities & minerals: coal, gold, iron, copper, nickel & molybdenum

### OTHER SECTORS

- Retail
- Transport
- Hospitality
- Pharmaceutical
- Government



# Why Our Customers Choose Us

## We exist because of our customers.

We make their jobs easier by solving their problems and delivering what they need. By applying our engineering knowledge to find the right solutions to their problems, we meet their needs.



Integrity and credibility are what we stand for. We have built a solid reputation for providing quality, responsible and effective solutions that stand the test of time.



We can customize and integrate the systems that sit at the heart of every infrastructure, with the latest, smartest and most efficient technologies.



We count large government organizations, as well as renowned brand names as our clients across multiple industries and sectors.



We view our expertise as a form of social responsibility to ensure that what we do does not harm our environment as much as possible.



Increasingly, we develop technologies to reduce waste and adapt "greener", smarter ways to deliver efficient and effective solutions.

## Notable projects

We have what it takes to get the job done and finish well – no problem is too big that we cannot solve.

 **90%**  
repeat customers

We have taken on the most difficult projects in the most challenging conditions, at the most competitive prices; including large-scale, complex applications and solutions across Energy, Infrastructure, Mining & Minerals sectors.

 **30 years**  
long-standing customers

**RELIABLE • RESOURCEFUL • TAILORED • SEAMLESS • SINGLE SOURCE SOLUTION**

▪ Engineering



▪ Procurement



▪ Manufacturing



▪ FEED &  
Concept Studies



▪ Assembly &  
Development



▪ Commissioning  
& Maintenance



# Business Updates

1

## General Sentiments

- FY2022 – a challenging year
- Supply chain disruptions continue to affect our operations resulting in longer lead time to convert an order into revenue
- Continued to build our infrastructure business via acquisitions and organically through sales, marketing, engineering support and capacity enhancement, resulting increase in overheads

### FY2022 Highlights:

- Strong order intake of S\$808.4 million
- Orders for Infrastructure sector grew 131.2% year-on-year to S\$341.6 million
- Gross margins are lower at 26.2%, impacted by supply chain disruptions and increased costs
- One time charges:
  - Project cost overruns – S\$5.9m
  - Retrenchment cost – S\$1.3m
- High selling & distribution and quoting costs to secure the new orders

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## Segmental Performance

Building on our diversification strategy - focus on US Energy and ANZ/SG/UK Infra

### 1. Energy

- Few large opportunities as oil companies remain cautious in approving new larger greenfield projects
- Higher orders from flow business
- Actively pursuing opportunities and acquisitions in renewables and related infrastructure

### 2. Infrastructure

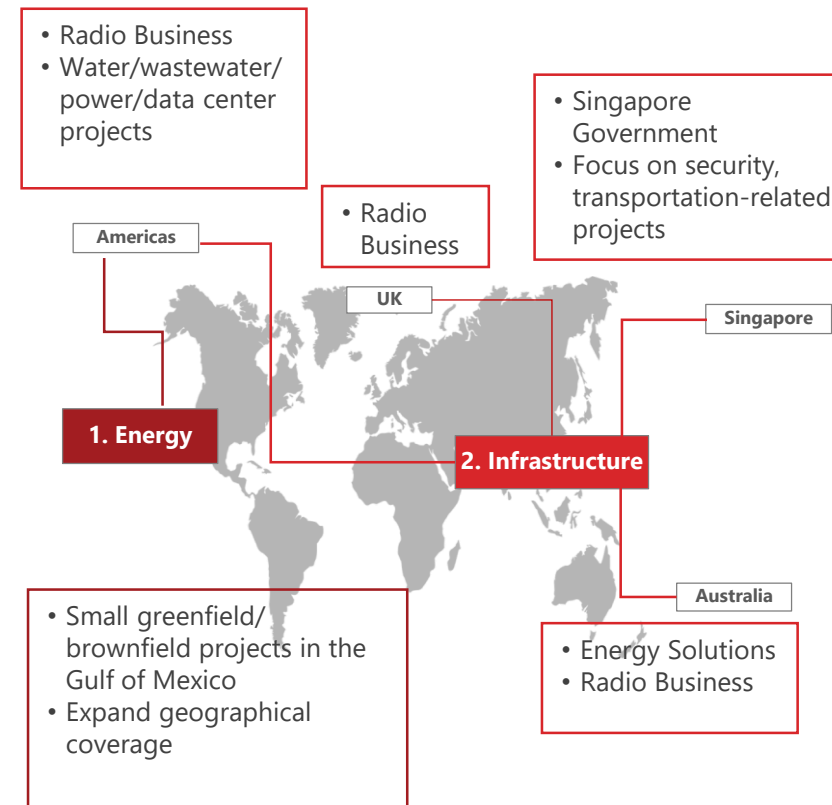
- Completed the acquisition of Logic Wireless and Radio One Group
- Strengthening communications business in ANZ/UK and new regions through acquisitions
- Secured more water/wastewater and data centre projects
- Flow business stable
- Engaging more with the Singapore Government

### 3. Mining & Minerals

- Stable stream of flow projects

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## Key Strategies



# Business Updates (cont'd)

## 4 Cost Management

- Higher interest costs from inflationary pressures
- Cost overruns for project in Americas region
  - Closely monitoring costs
- Capital discipline alongside cash flow management

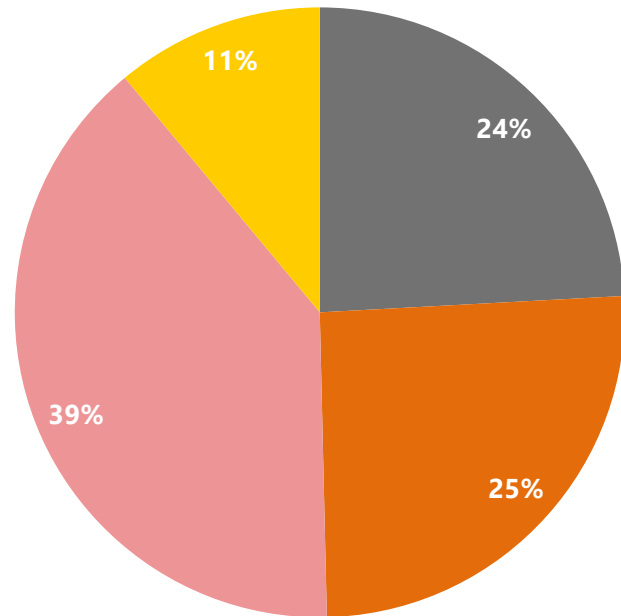
## 5 Acquisition Strategy

- 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
  - No high gearing
- Will be focused on integrating Logic Wireless and Radio One Group in 2023



# FY2022 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.



- Energy - Onshore
- Energy - Offshore
- Infrastructure
- Mining & Mineral

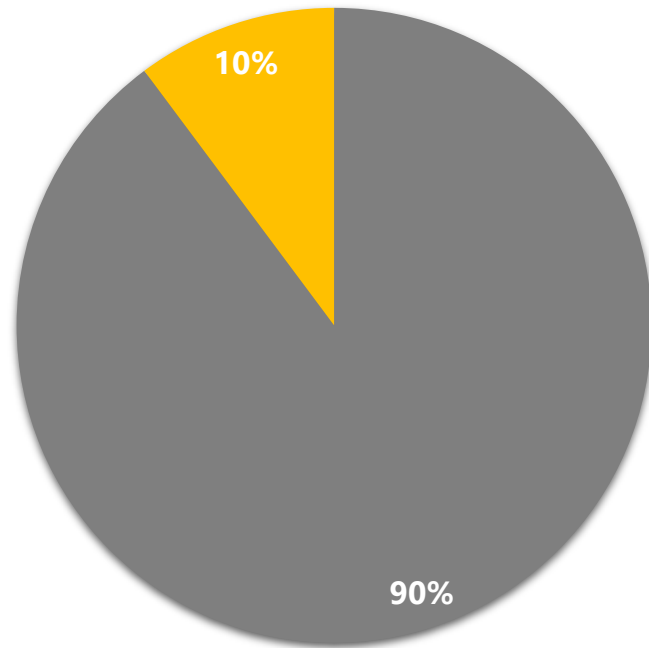
S\$ million	FY2022	FY2021	YoY %
Energy - Onshore	134.6	143.0	-5.9%
Energy - Offshore	142.1	134.3	5.8%
Infrastructure	219.4	143.6	52.8%
Mining & Mineral	61.6	47.8	28.8%
<b>Total</b>	<b>557.7</b>	<b>468.7</b>	<b>19.0%</b>

Australia and UK communications revenue:

- FY2022 S\$132.3 million
- FY2021 S\$99.3 million

*Infrastructure: Power, Water, Waste Treatment & Transportation*

# FY2022 Revenue Breakdown By Projects



■ Flow Business    ■ Large Greenfield Projects

S\$ million	FY2022	FY2021	YoY%
Flow Business*	502.5	420.9	19.4%
Large Greenfield Projects	55.2	47.8	15.5%
<b>Total</b>	<b>557.7</b>	<b>468.7</b>	<b>19.0%</b>
<b>Flow Business %</b>	<b>90%</b>	<b>90%</b>	

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

# Order Intake & Backlog by Industry

	Order Intake				Backlog			
S\$ million	FY2022	%	FY2021	%	FY2022	%	FY2021	%
Energy	402.8	49.8%	265.7	57.5%	179.4	37.4%	83.3	36.3%
Infrastructure	341.6	42.3%	147.7	32.0%	279.6	58.2%	127.6	55.6%
Mining & Minerals	64.0	7.9%	48.7	10.5%	21.0	4.4%	18.5	8.1%
<b>Total</b>	<b>808.4</b>	<b>100.0%</b>	<b>462.1</b>	<b>100.0%</b>	<b>480.1</b>	<b>100.0%</b>	<b>229.4</b>	<b>100.0%</b>

# FY2023 Outlook



## Steady Financial Performance

- We have delivered 35 years of profitable growth in a steady and consistent manner, and we intend to do the same in FY2023.

## Inorganic Growth

- As a Group, we are continuously looking out for value accretive and strategic acquisitions to grow and reshape our business to ensure a diversified and sustainable income stream.
- We have completed 30-40 acquisitions since our inception, and our integration rate is very high; most of our large integrations are successful because we offer autonomy and flexibility as a parent company.

## Cash Flow

- Capital discipline is of utmost importance, and we will focus on cashflow management.

## Dividend Policy

- Proposes final dividend of 1.5 cents per share to be approved by shareholders at AGM on 20 April 2023.

Singapore cents per share	FY2020	FY2021	FY2022
Final Dividends	1.5	1.5	1.5
Payment Date	18 May 2023		
Book Closure	5 May 2023		

## Outlook

- The current global economic outlook and inflationary pressures 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 projects in 2022 and foreseeably in the coming months, which together with the higher operating costs and cost overruns, has negatively impacted our financial performance in the Americas region in FY2022.
- We continue to see a stable financial performance in the Infrastructure and Mining & Minerals sectors, supported by a steady stream of projects arising from requirements in digitalization, communications and enhancements in physical and cyber security globally, and from data centres and water utilities in the Americas & Asia Pacific region.
- CSE has secured S\$808.4m of new orders in FY2022. With an order book of S\$480.1 million as at 31 December 2022 compared with S\$229.4 million as at 31 December 2021, CSE is well positioned to achieve a better performance in 2023.
- Going forward, we will expand our engineering capabilities and technology solutions to pursue new market opportunities and diversify into new markets brought about by the emerging trends towards urbanization, electrification and decarbonisation.

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## FY2022 Financial Performance

Mr Eddie Foo,  
Group CFO

# Group Performance – FY2022

	FY2022
Revenue	S\$557.7m
Gross margin	26.2%
EBITDA	S\$33.4m
Net profit	S\$4.8m
Order intake	S\$808.4m
Order book	S\$480.1m
Cashflow from operations	S\$9.1m

- **Revenue** grew by 19.0% to S\$557.7m:
  - Energy: -0.2% from lower large project revenues offset by higher time and material revenues recognized in USA;
  - Infrastructure: +52.8% from all geographic regions due to increased infrastructure investments and new acquisitions;
  - Mining & Minerals: +28.8% attributed to increased mining activities and stable commodity prices
- **Gross profit margin** was 2.8pp lower:
  - 4.2% gross margin decline in Energy sector due to increased project execution costs and cost overruns in USA
  - Lower margins for new infrastructure projects in USA
- **EBITDA** reduced by 21.9% to S\$33.4m (-S\$9.4m), from:
  - Lower gross profit margins from both Energy and Infrastructure sectors;
  - Higher operating expenses from personnel costs (S\$7.3m), one-off restructuring cost (S\$1.3m), higher selling and distribution expenses (S\$4.5m), higher facility cost (S\$3.4m) and less favourable exchange gain differences (S\$0.9m);
  - Offset by higher gain on disposal of property, plant and equipment (S\$4.4m)
- **Net profit** was 68.2% lower in FY2022 at S\$4.8m
- **Order intake** surged by 74.9% YoY, broad base growth across all sectors
- **Order book** reached an all time high at S\$480.1m

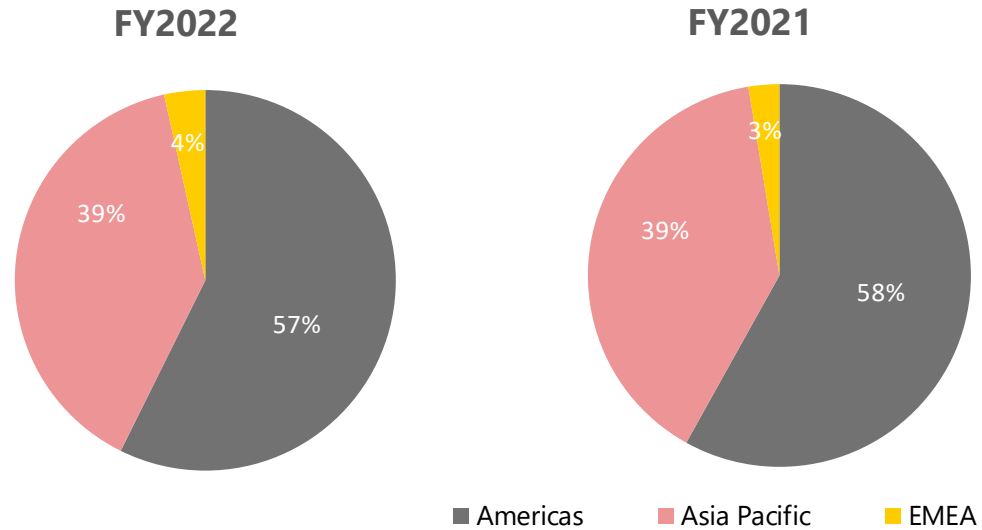


# Summary of Financials

S\$ million	2H2022	2H2021	Change	FY2022	FY2021	Change
Revenue	295.5	234.2	26.2%	557.7	468.7	19.0%
Gross Profit	73.4	65.9	11.4%	146.2	135.9	7.6%
EBITDA	15.4	19.2	-20.0%	33.4	42.8	-21.9%
Net profit attributable to equity owners of the Company	0.2	4.9	-95.2%	4.8	15.0	-68.2%
Gross profit margin (%)	24.8%	28.1%	-3.3p.p	26.2%	29.0%	-2.8p.p
EBITDA margin (%)	5.2%	8.2%	-3.0p.p	6.0%	9.1%	-3.1p.p
Net margin (%)	0.1%	2.1%	-2.0p.p	0.9%	3.2%	-2.3p.p
Operating cash flow from operations	1.0	21.2	-95.5%	9.1	36.3	-75.0%
Net Cash/(debt)	(72.2)	(48.9)	47.7%	(72.2)	(48.9)	47.7%
Order intake	386.6	251.5	53.7%	808.4	462.1	74.9%
Order book	480.1	229.4	109.3%	480.1	229.4	109.3%
ROE (annualised)	0.2%	5.1%	-4.9p.p	2.2%	7.8%	-5.6p.p

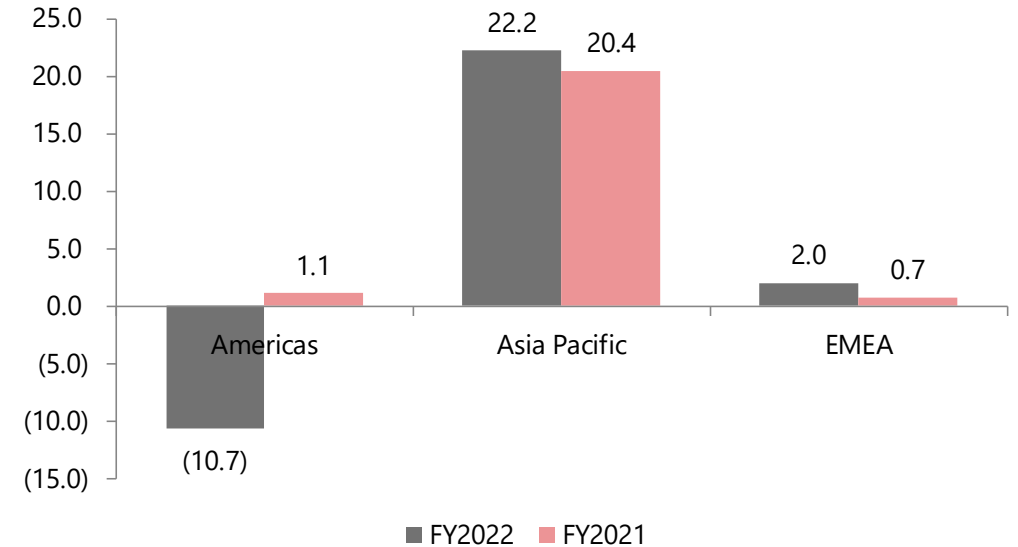
# Breakdown By Geography

## REVENUE



S\$ million	FY2022	FY2021	YoY %
Americas	319.7	272.2	17.4%
Asia Pacific	218.6	184.3	18.6%
EMEA	19.4	12.2	59.5%
<b>Total</b>	<b>557.7</b>	<b>468.7</b>	<b>19.0%</b>

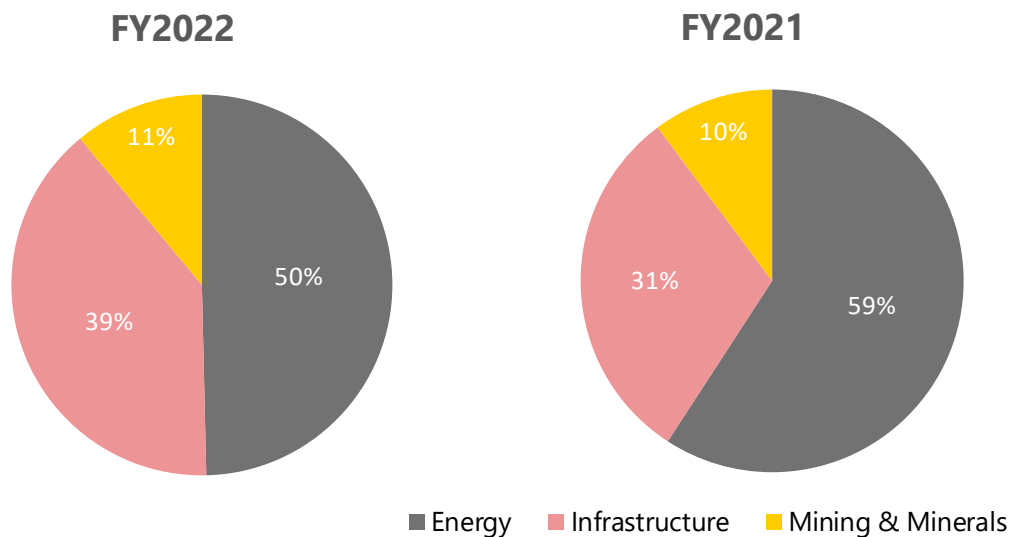
## EBIT



S\$ million	FY2022	FY2021	YoY %
Americas	(10.7)	1.1	N.M
Asia Pacific	22.2	20.4	8.8%
EMEA	2.0	0.7	170.9%
<b>Total</b>	<b>13.6</b>	<b>22.3</b>	<b>-39.1%</b>

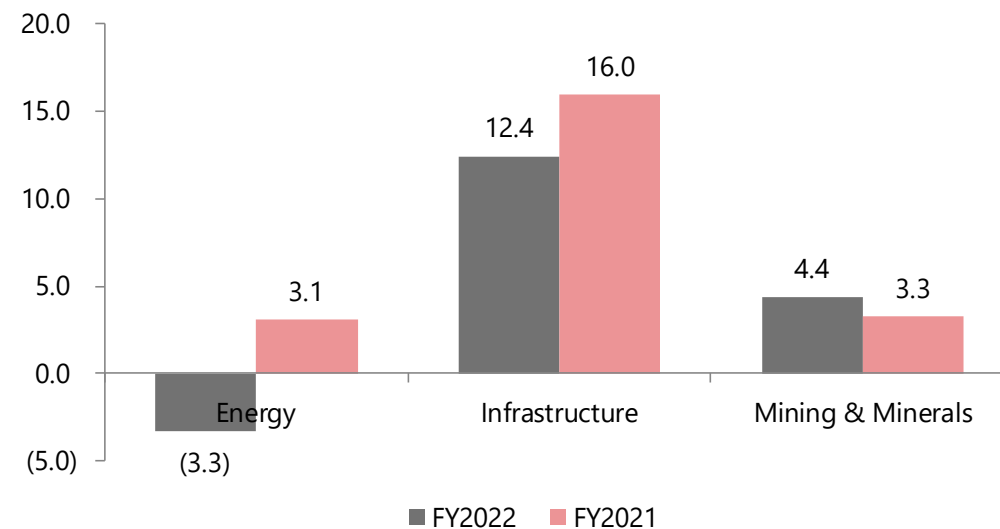
# Breakdown By Industry

## REVENUE



S\$ million	FY2022	FY2021	YoY %
Energy	276.8	277.3	-0.2%
Infrastructure	219.4	143.6	52.8%
Mining & Minerals	61.6	47.8	28.8%
<b>Total</b>	<b>557.7</b>	<b>468.7</b>	<b>19.0%</b>

## EBIT

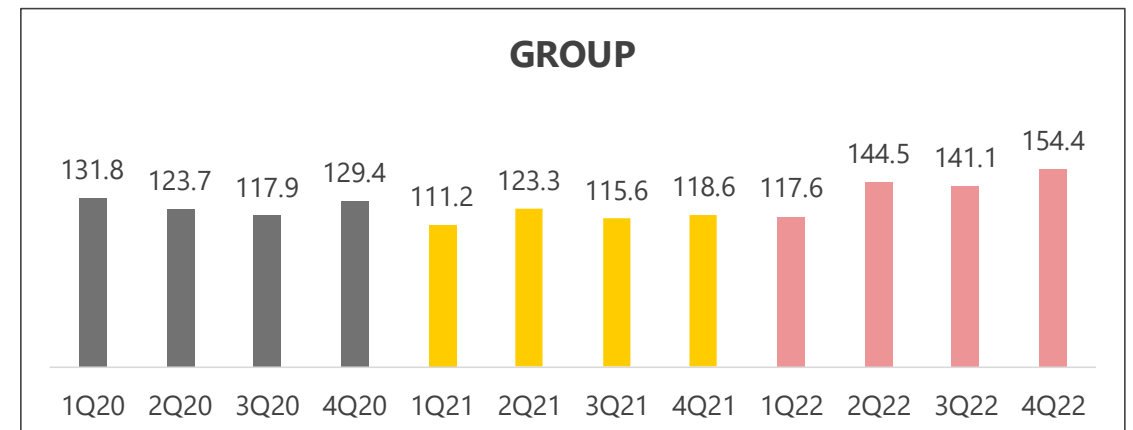
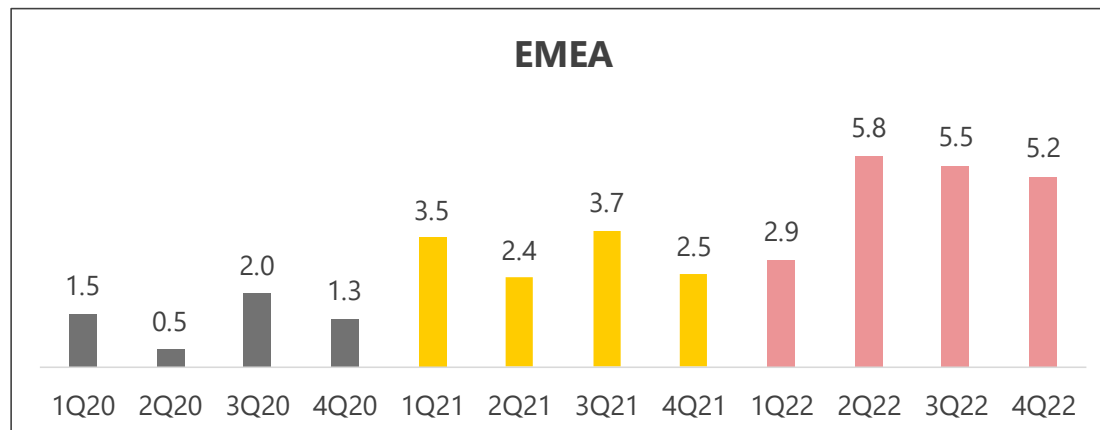
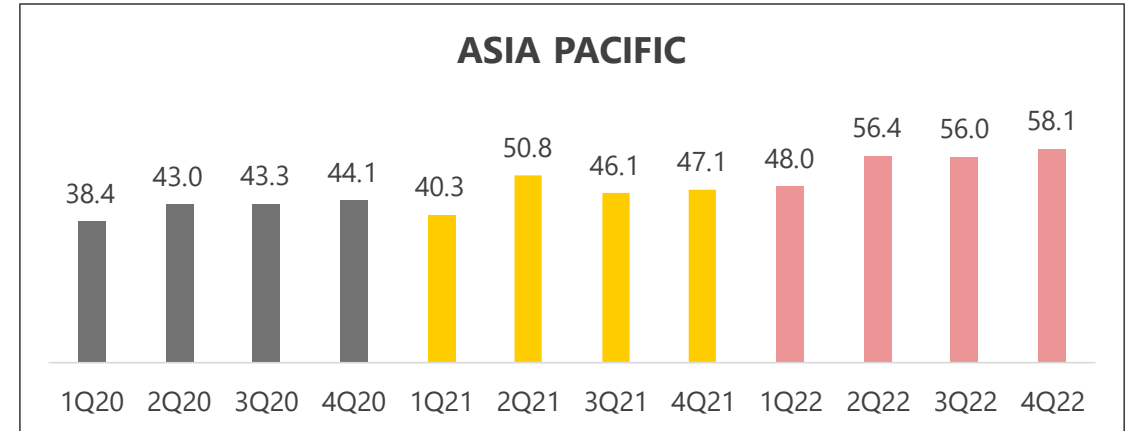
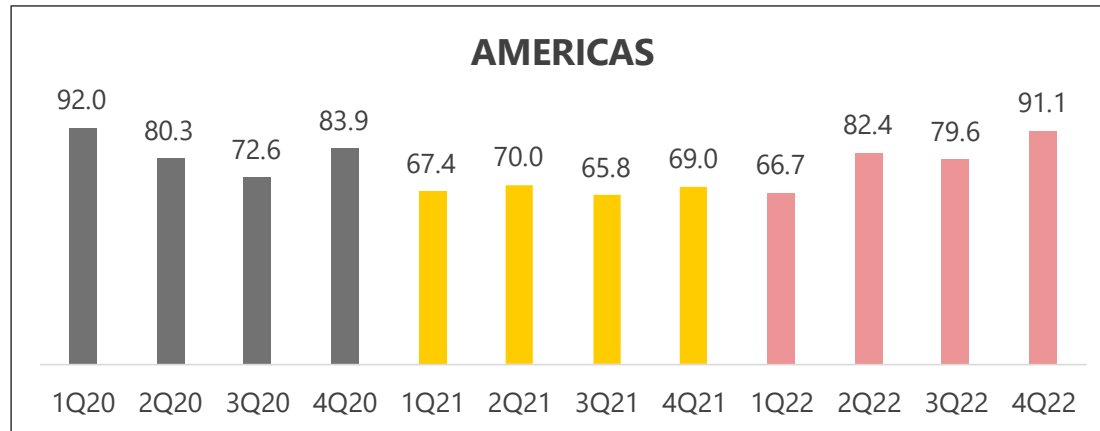


S\$ million	FY2022	FY2021	YoY %
Energy	(3.3)	3.1	N.M
Infrastructure	12.4	16.0	-22.1%
Mining & Minerals	4.4	3.3	34.4%
<b>Total</b>	<b>13.6</b>	<b>22.3</b>	<b>-39.1%</b>

# Quarterly Revenue Trends

## By Geography, Q-o-Q

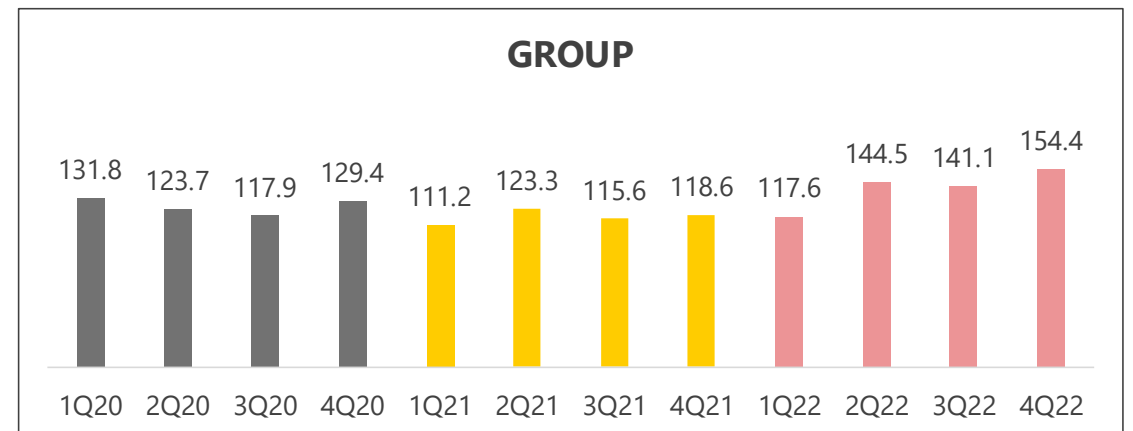
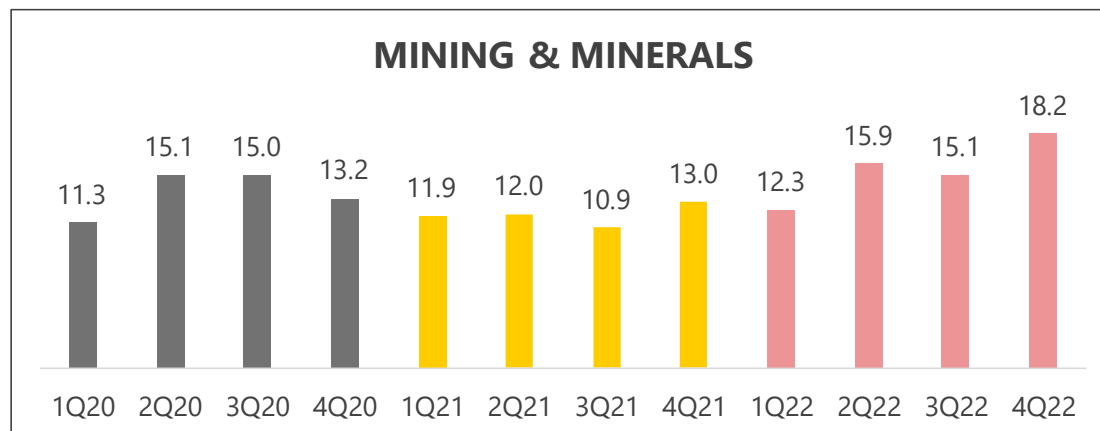
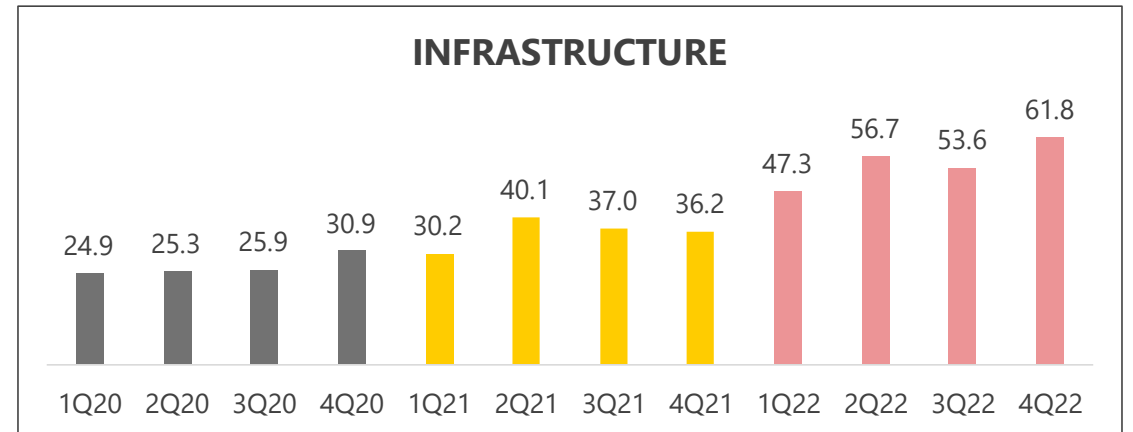
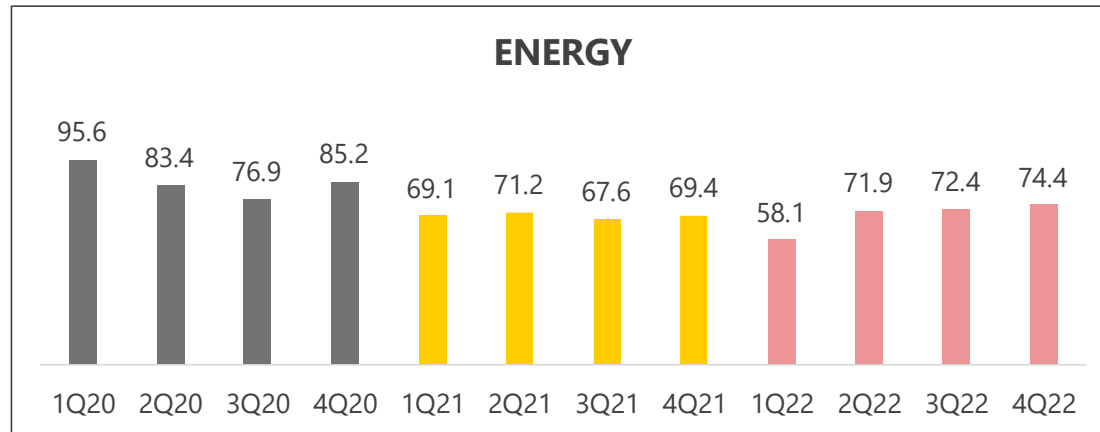
(\$ million)



# Quarterly Revenue Trends

## By Industry

(\$ million)



# Financial Position & Cash Flow



**Cash  
inflow/(outflow)  
from operations**

S\$9.1 million in FY2022 vs S\$36.3 million in FY2021

**Net cash/(debt)**

(S\$72.2) million as at 31 December 2022 vs  
(S\$48.9) million at 31 December 2021

**Equity attributable to  
owners of the  
Company**

S\$212.3 million at 31 December 2022 vs  
S\$192.0 million at 31 December 2021

**NAV per share**

34.53 cents at 31 December 2022 vs  
37.48 cents at 31 December 2021



# Group Balance Sheet

<b>S\$ million</b>	<b>31-Dec-22</b>	<b>30-Jun-22</b>	<b>31-Dec-21</b>
<b>PPE</b>	63.5	63.4	62.0
<b>Right-to-use assets</b>	19.8	21.8	21.6
<b>Intangible assets</b>	79.4	64.9	58.5
<b>Cash at hand &amp; bank</b>	34.2	27.1	46.5
<b>Contract assets (net)</b>	54.2	53.1	53.3
<b>Inventories</b>	52.0	35.9	29.3
<b>Trade and other receivables</b>	138.1	116.9	96.6
<b>Trade payables and accruals</b>	102.6	79.2	59.1
<b>Derivative liabilities</b>	0.2	0.7	1.1
<b>Loans and borrowings</b>	106.4	101.5	95.4
<b>Net cash/(debt)</b>	(72.2)	(74.4)	(48.9)
<b>Shareholders' fund</b>	212.3	189.4	192.0

# Group Cash Flow Statement

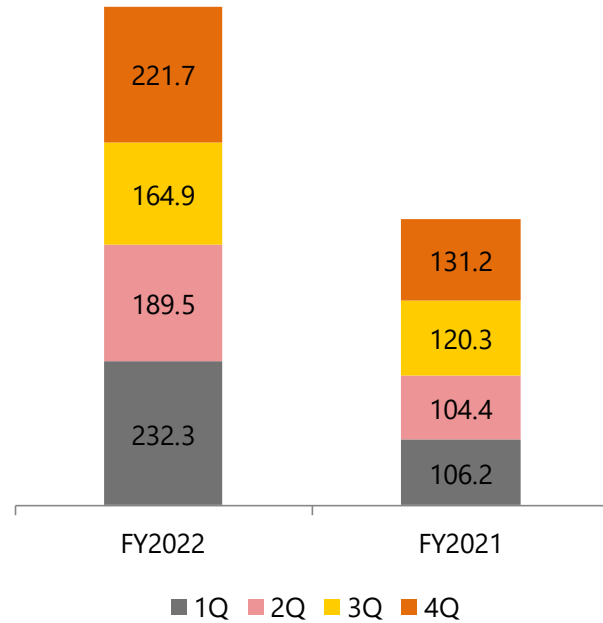
S\$ million	2H2022	2H2021	FY2022	FY2021
<b>As at beginning of the period</b>	26.2	55.7	45.5	49.4
<b>Cash flow from operations</b>	1.0	21.2	9.1	36.3
<b>Interest and tax</b>	(4.9)	(2.5)	(9.1)	(6.9)
<b>Capital expenditure (Net)</b>	(6.6)	(4.7)	(16.0)	(10.3)
<b>Proceeds from disposal of property, plant and equipment</b>	8.9	0.4	9.0	0.7
<b>Restricted cash from disposal of property</b>	(7.9)	-	(7.9)	-
<b>Proceeds from disposal of other investment</b>	1.2	-	1.2	-
<b>Acquisitions</b>	(22.4)	(2.1)	(30.7)	(8.1)
<b>(Restricted cash arising from acquisition of a subsidiary)/release of restricted cash</b>	(1.2)	(0.4)	(1.2)	2.2
<b>Proceeds of borrowings, net</b>	6.7	(12.6)	12.1	3.3
<b>Payment of lease liabilities</b>	(3.0)	(2.9)	(6.4)	(5.8)
<b>Purchase of treasury shares</b>	-	-	-	(1.4)
<b>Net proceeds from issuance of ordinary shares</b>	33.4	-	33.4	-
<b>Dividends</b>	(6.4)	(6.4)	(14.1)	(14.1)
<b>Net effect of FX on cash</b>	(0.6)	(0.2)	(0.7)	0.2
<b>Cash and bank balances at end of the financial period</b>	24.1	45.5	24.1	45.5
<b>Cash and bank balances comprise of:-</b>				
<b>Cash and cash equivalents</b>	24.1	45.5	24.1	45.5
<b>Restricted cash</b>	10.1	1.0	10.1	1.0
	34.2	46.5	34.2	46.5

# FY2022 Order Intake/Book By Geographical Segments

## Order Intake from Continuing Operations

\$808.4m

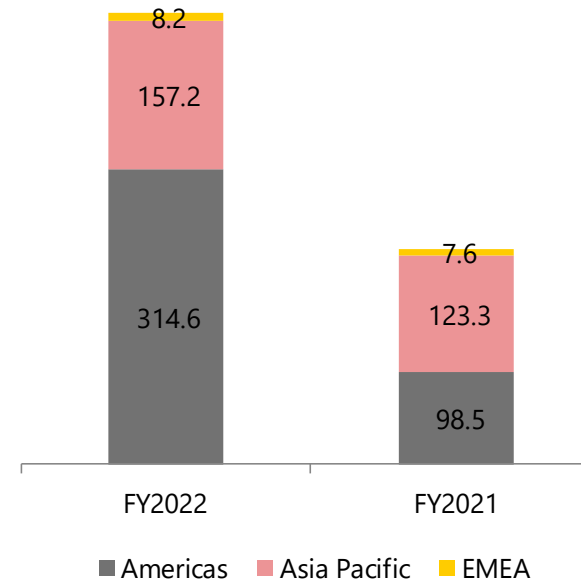
\$462.1m



## Order Book from Continuing Operations

\$480.1m

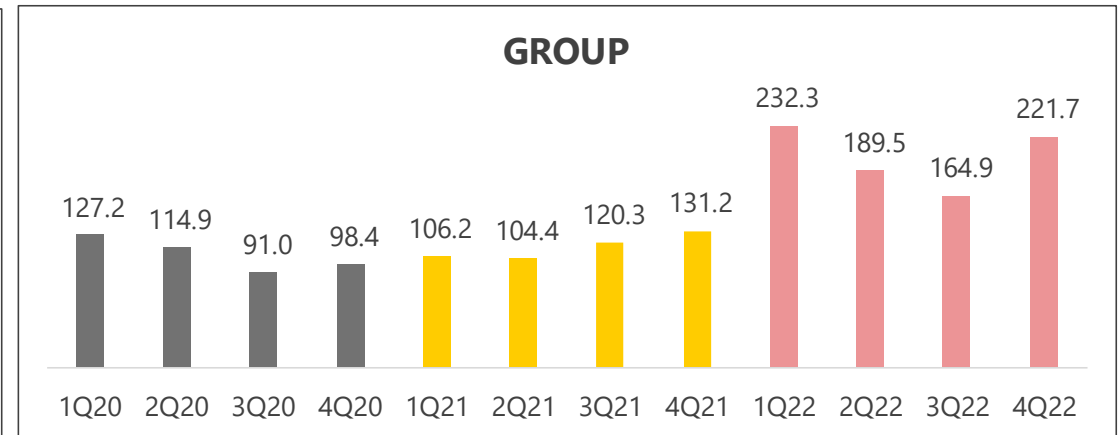
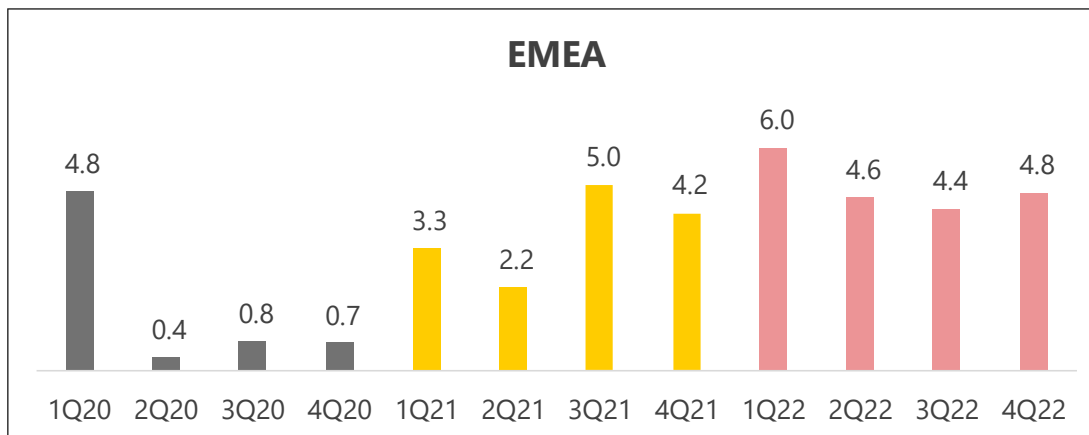
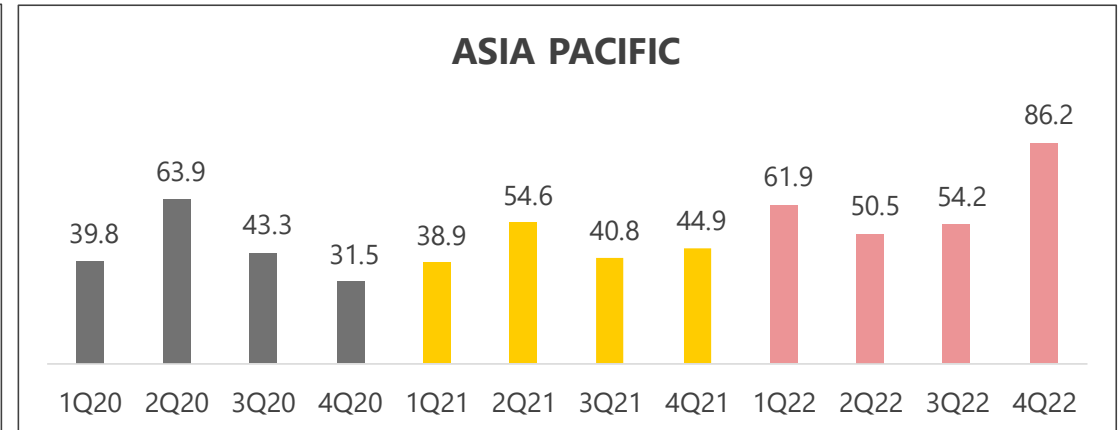
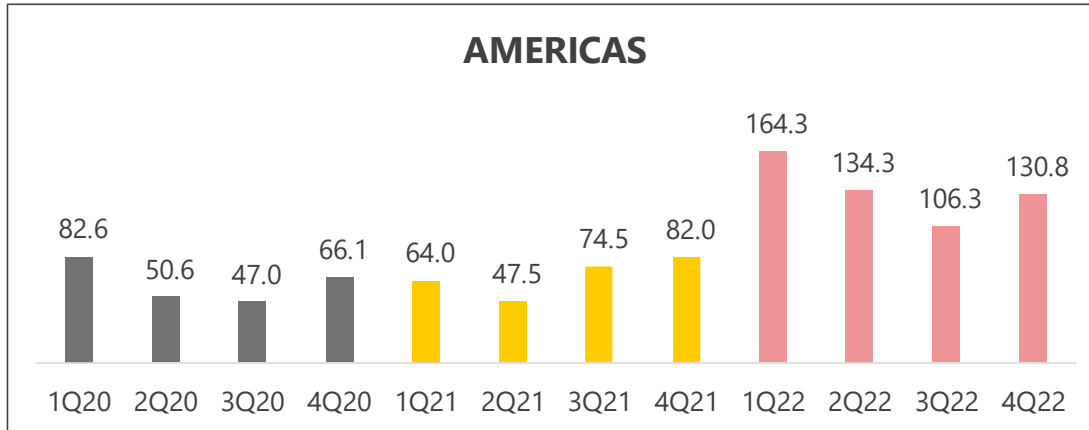
\$229.4m



# Quarterly Order Intake Trends

## By Geography

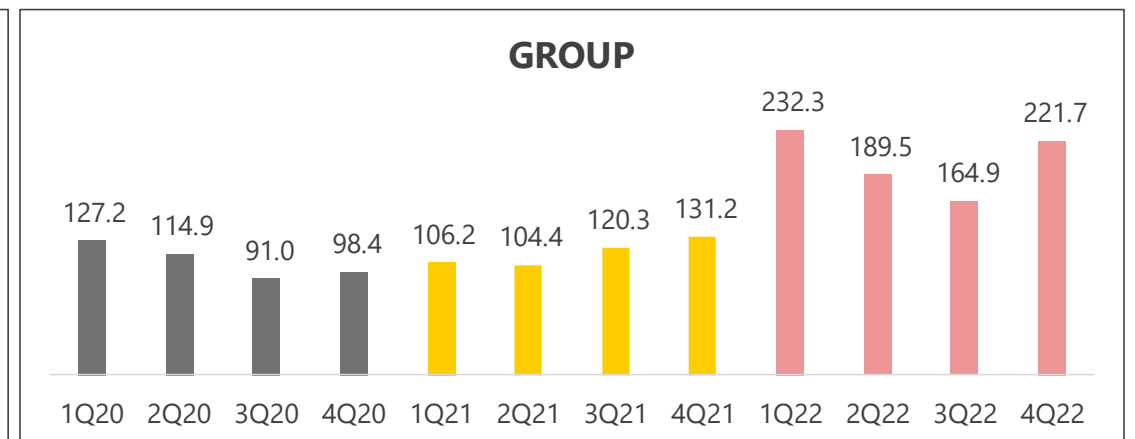
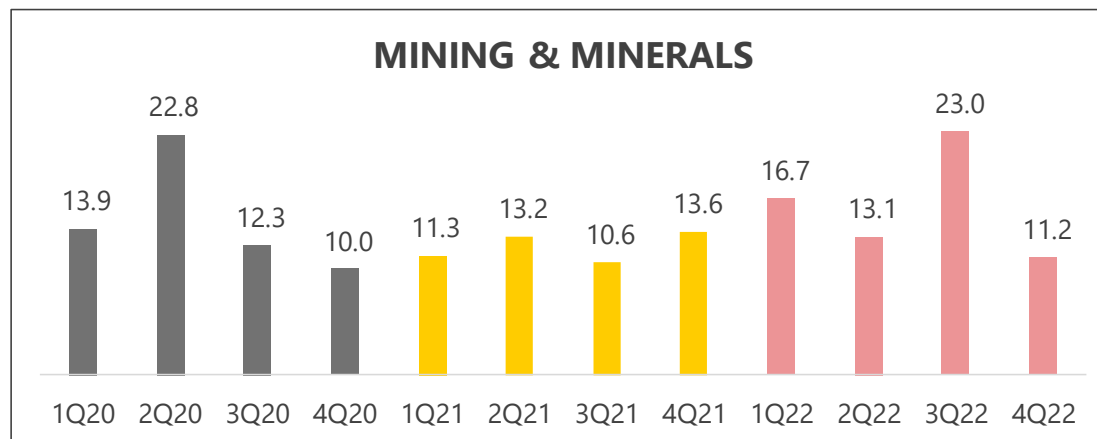
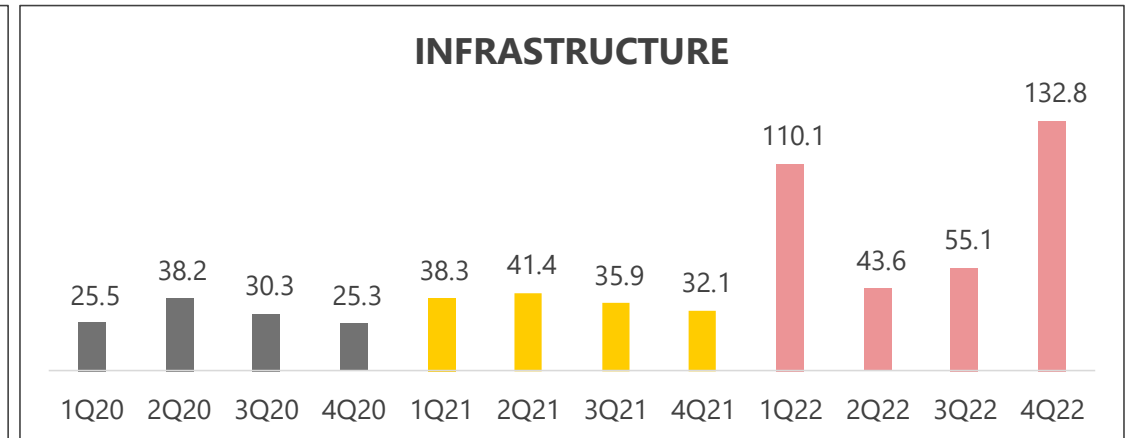
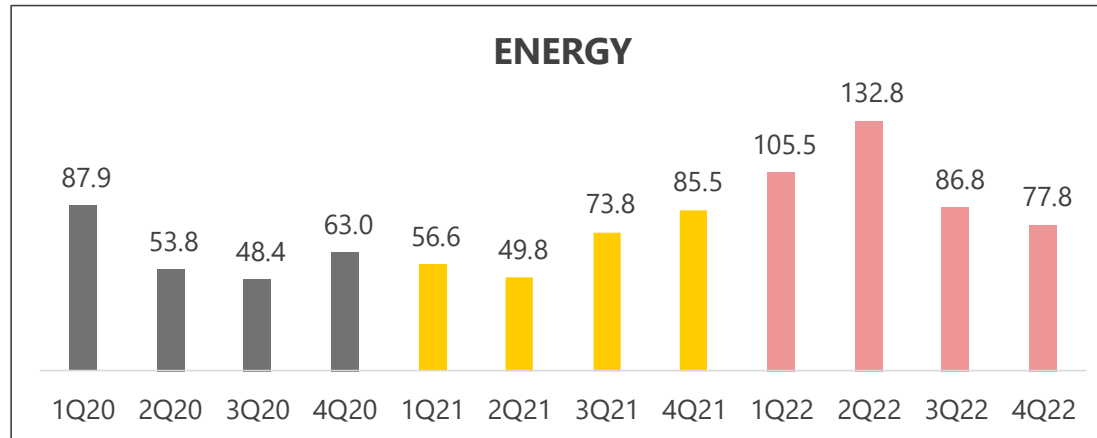
(\$ million)



# Quarterly Order Intake Trends

## By Industry

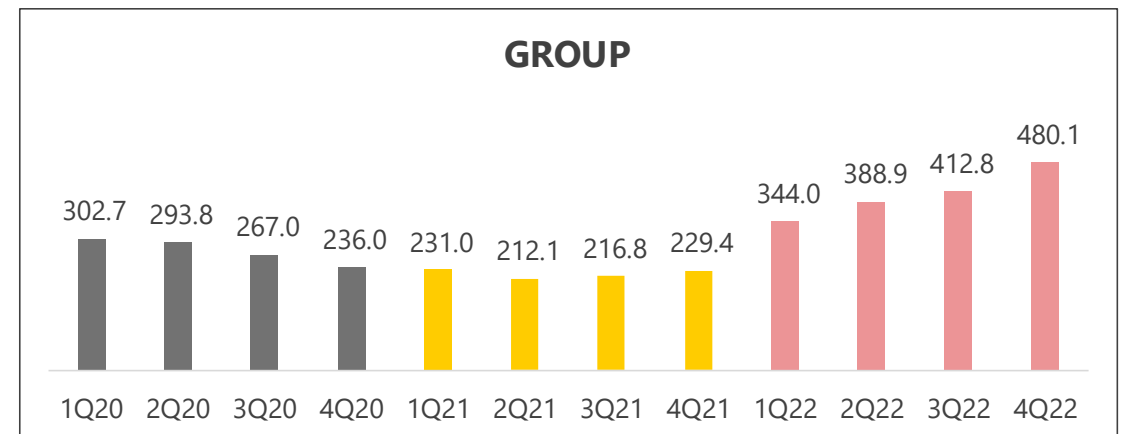
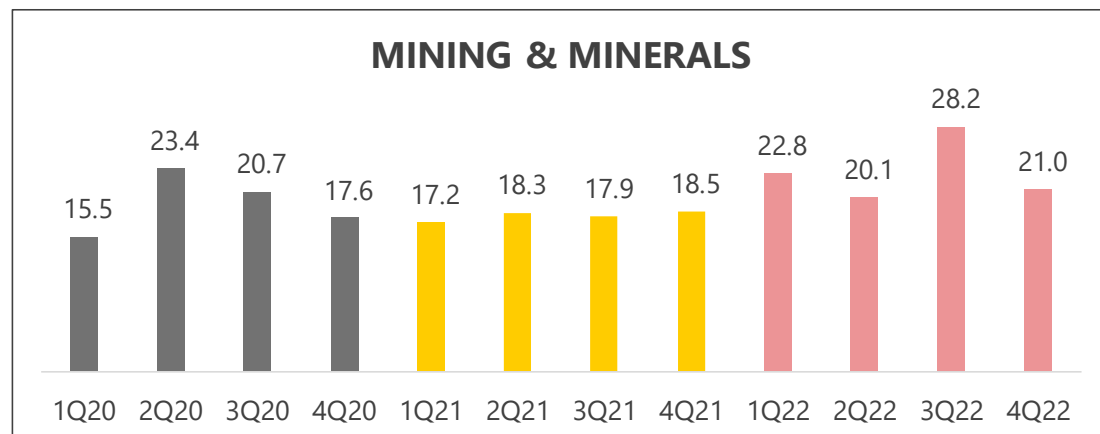
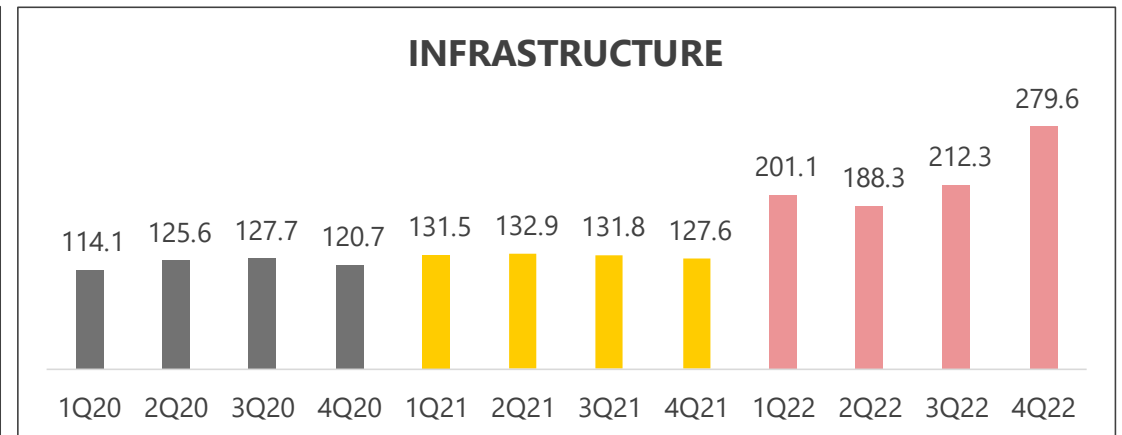
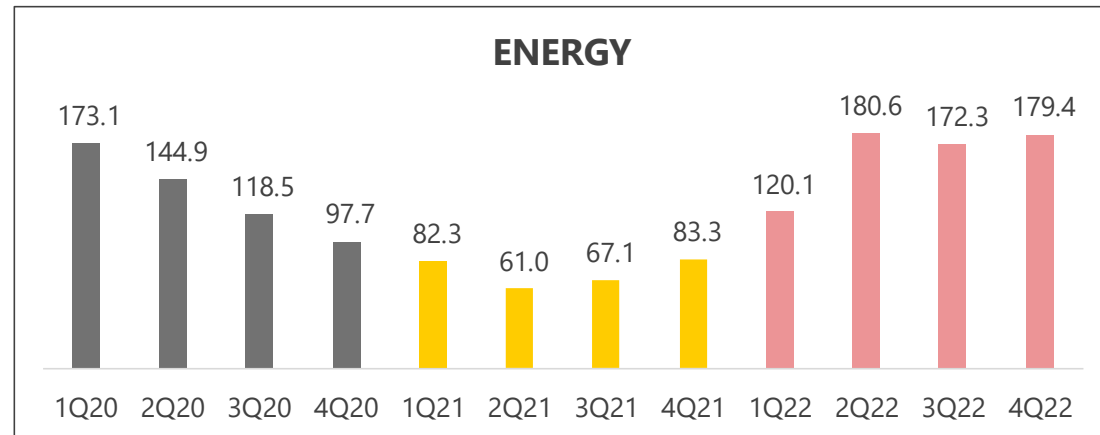
(\$ million)



# Quarterly Order Book Trends

## By Industry

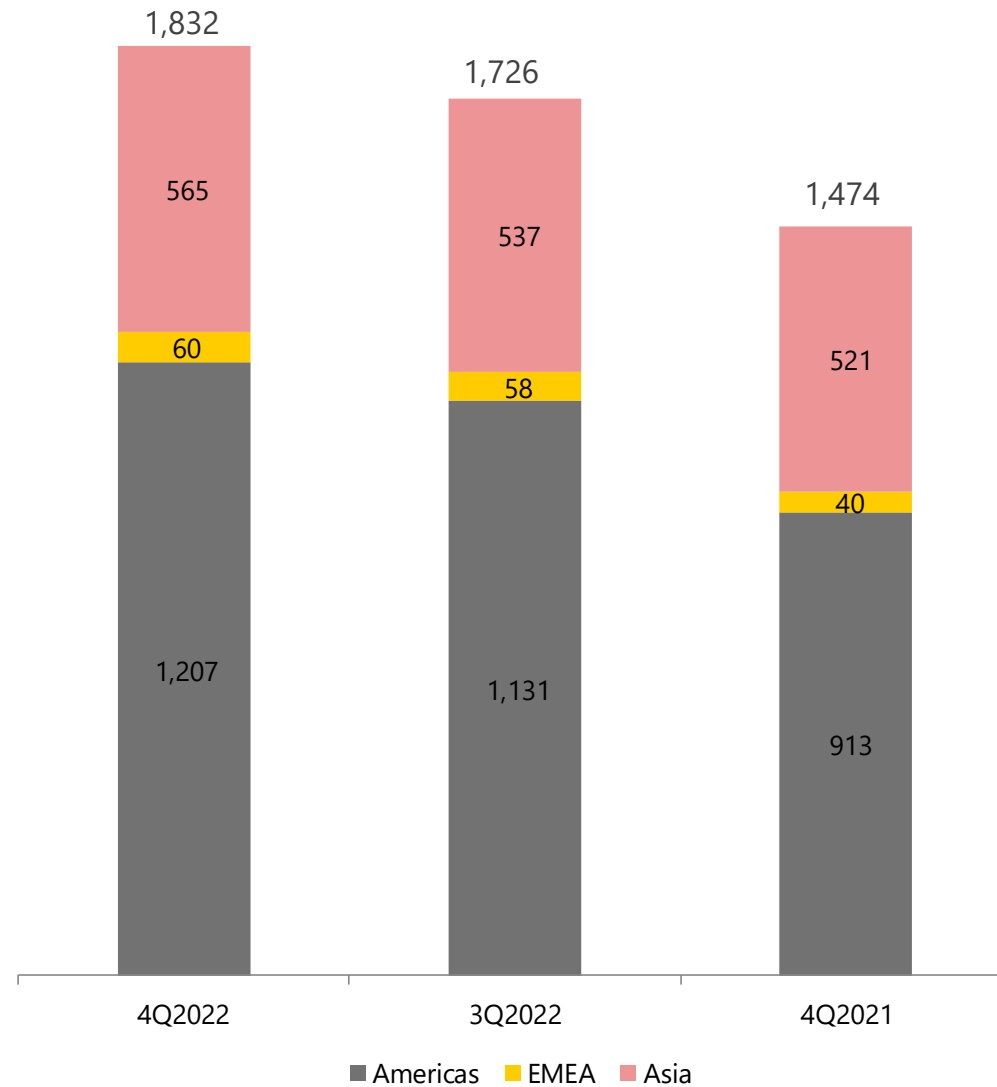
(\$ million)





# Human Resources Allocation

No. of headcount





**CSE**

**Q&A**