



CSE Global Limited FY2019 Results Briefing

27 February 2020





Disclaimer

The information contained in this presentation has not been independently verified. The Company assumes no responsibility or liability whatsoever (in negligence or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information or opinions contained herein nor for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation. It is not the intention to provide, and you may not rely on this presentation as providing a fair, accurate, complete or comprehensive analysis of all material information concerning the Company, or the Company's financial or trading position or prospects. The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice.

This presentation contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on estimates and current assumptions which are subject to business, economic and competitive uncertainties and contingencies as well as various risks and these may change over time and in many cases are outside the control of the Company and its directors. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of the management of the Company on future events. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct.



Table of Contents

- 1 Address by CEO
- 2 Financial Performance by CFO
- 3 Appendices



1 Address by CEO

CSE Global

Corporate Profile

A systems integrator, global technologies company providing process controls, communication & security solutions & services for its customers



Geographical Presence

- 12 countries, 41 offices
- Americas, Asia Pacific, Europe, Middle East & Africa

Markets served



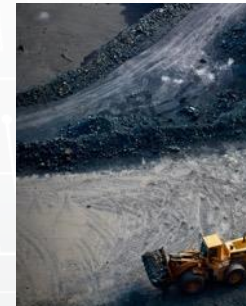
Oil & Gas

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



Infrastructure

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



Mineral & Mining

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

FY2019 Business Overview

General Sentiments

FY2019 overall an outstanding result, markets remains cautious



Positives

- Strong growth in net profit(+60.1%) in 4Q19, full year net profit growth +19.6%
- Gross margins are stable at around 27%
- Positive operating cash flow of S\$18.0 million
- Strong order intake of S\$578.8 million

Negatives

- Net debt of S\$44.5m

Segmental Performance

Building on FY2017/2018 initiatives, with a focus on US O&G and ANZ&SG Infra



Oil & Gas

- Pursue organic growth in West Texas region apart from Permian and Eagleford
- Focus on onshore & offshore in the Americas



Infrastructure

- Strengthening communications business in ANZ and new regions through acquisitions
- Engaging more with the SG Government



Mineral & Mining

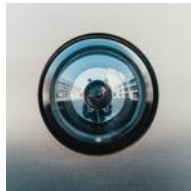
- Stable stream of flow projects

FY 2020 Key Strategies



Oil & Gas (Americas)

- Small greenfield projects / brownfield projects in the Gulf of Mexico
- Shale projects in the US (Permian Basin & Eagleford)
- Expand geographical coverage



Infrastructure (Singapore)

- Singapore Government
- Focus on security, transportation related projects

Infrastructure (Australia)

- Energy Solutions
- Radio Business



Infrastructure (International)

- Radio Business

FY 2020 Outlook



Financial Performance

- CSE anticipates a steady flow of orders in 2020 from its existing installed base.
- Together with a strong order book of S\$307.3m, CSE expect an improvement in the Group's financial performance for FY2020 over FY2019.

Inorganic Growth

- As a group, we are continuously looking out for value accretive and strategic acquisitions to grow our business to ensure a diversified and sustainable income stream.

Cash Flow

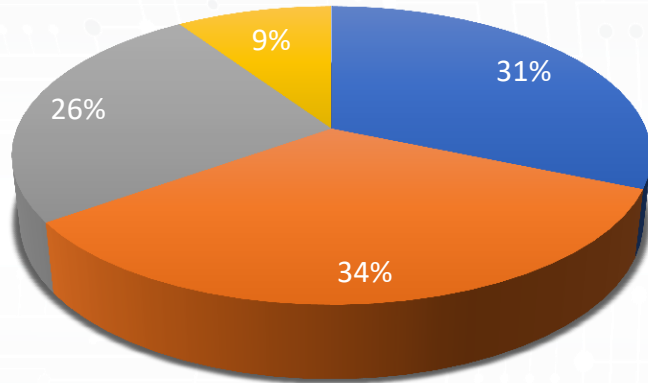
- Capital discipline is of utmost importance and we will focus on cashflow management.

Dividend Policy

- Intends to maintain dividend at 2.75 cents per share per year
- Proposed final dividend of 1.50 cents per share

FY2019 Revenue Breakdown By Industry Segments

FY2019



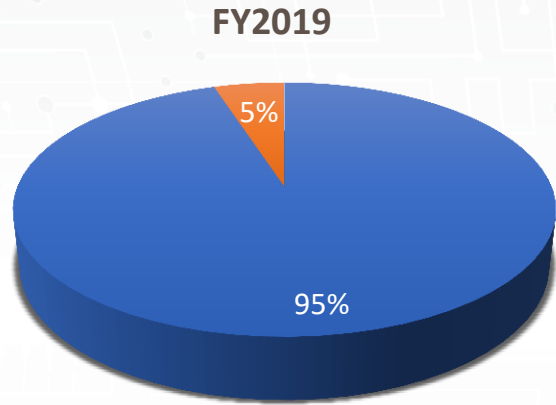
- Oil & Gas - Onshore
- Oil & Gas – Offshore
- Infrastructure
- Mining & Mineral

Infrastructure: Power, Water, Waste Treatment & Transportation

S\$ million	FY2019	FY2018	YoY%
Oil & Gas - Onshore	141.8	116.1	22.1%
Oil & Gas - Offshore	152.3	131.6	15.7%
Infrastructure	115.3	110.1	4.7%
Mining & Mineral	42.4	15.7	170.1%
Total	451.8	373.5	21.0%

Australia communication revenue:
 FY2019 S\$64.8m
 FY2018 S\$46.9m

FY2019 Revenue Breakdown By Projects



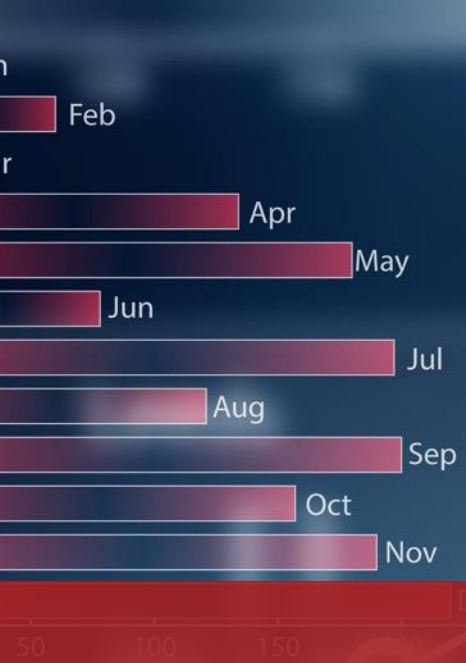
- Flow Business
- Large Greenfield Projects

S\$ million	FY2019	FY2018	YoY%
Flow Business*	426.1	344.8	23.6%
Large Greenfield Projects	25.7	28.7	-10.5%
Total	451.8	373.5	21.0%
Flow Business %	95%	92%	

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

Dividends (Proposed)

	FY2017	FY2018	FY2019
Dividends (Cents):			
Interim	1.25	1.25	1.25
Final	1.00	1.50	1.50#
Special	0.50	-	-
Total	2.75	2.75	2.75
Payment Date:	12 May 2020		
Book Closure:	4 May 2020		
AGM:	16 April 2020		
#: proposed and subject to approval at AGM			



2 Financial Performance By CFO



Financial Snapshot

4Q2019	
+57.7%	Revenue of S\$156.6 million
-2.1pp	Gross margins of 28.1%
+37.9%	EBIT of S\$10.7 million
+60.1%	Net profit of S\$8.1 million
+61.6%	EPS of 1.60 Singapore cents
+59.2%	Order Intake of S\$230.1 million
+6.6pp	Annualised ROE of 18.4%

FY2019	
+21.0%	Revenue of S\$451.8 million
-0.3pp	Gross margins of 27.4%
+11.9%	EBIT of S\$31.8 million
+19.6%	Net profit of S\$24.1 million
+20.7%	EPS of 4.73 Singapore cents
+52.1%	Order Intake of S\$578.8 million
+1.9pp	Annualised ROE of 13.6%

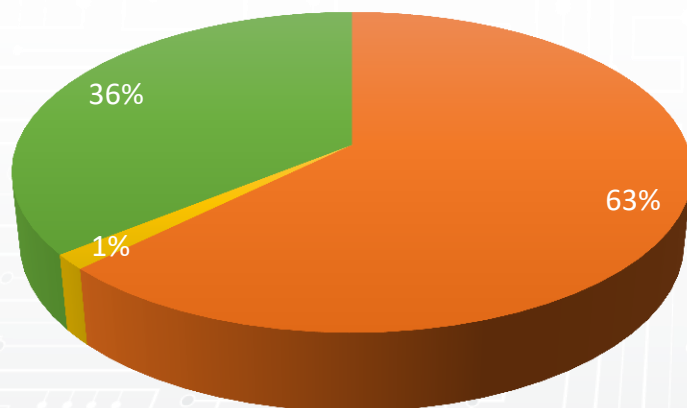
Summary Financials

\$S'm	4Q 2019	4Q 2018	Change	FY2019	FY2018	Change
Revenue	156.6	99.3	57.7%	451.8	373.5	21.0%
Gross Profit	44.0	29.9	47.1%	123.7	103.6	19.4%
EBIT	10.7	7.8	37.9%	31.8	28.4	11.9%
Net Profit attributable to equity owners of company	8.1	5.1	60.1%	24.1	20.1	19.6%
Gross profit margin (%)	28.1%	30.2%	-2.1 pp	27.4%	27.7%	-0.3 pp
EBIT margin (%)	6.8%	7.8%	-1.0 pp	7.0%	7.6%	-0.6 pp
Net margin (%)	5.2%	5.1%	+0.1 pp	5.3%	5.4%	-0.1 pp
Operating cash flow from operations	(1.8)	9.2	N.M.	18.0	56.6	-68.1%
Net Cash/(debt)	(44.5)	37.9	N.M.	(44.5)	37.9	N.M.
Order intake -continuing operations	230.1	144.5	59.2%	578.8	380.6	52.1%
Order book - continuing operations	307.3	180.2	70.5%	307.3	180.2	70.5%
ROE (annualised)	18.4%	11.8%	+6.6 pp	13.6%	11.7%	+1.9 pp

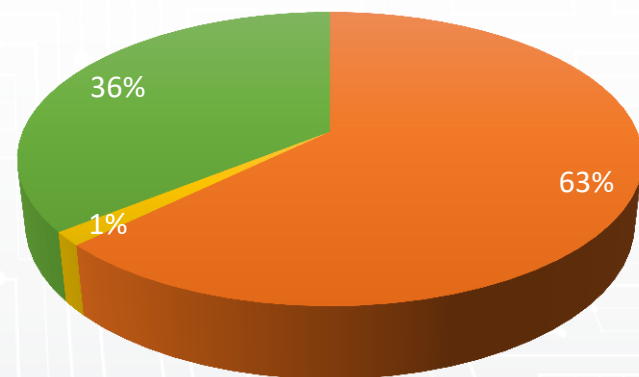
4Q19 Revenue Breakdown By Geographical Segments

S\$ million	4Q19	4Q18	YoY%
Americas	98.1	62.3	57.5%
EMEA	2.4	1.5	55.5%
Asia Pacific	56.1	35.5	58.1%
Total	156.6	99.3	57.7%

4Q2019



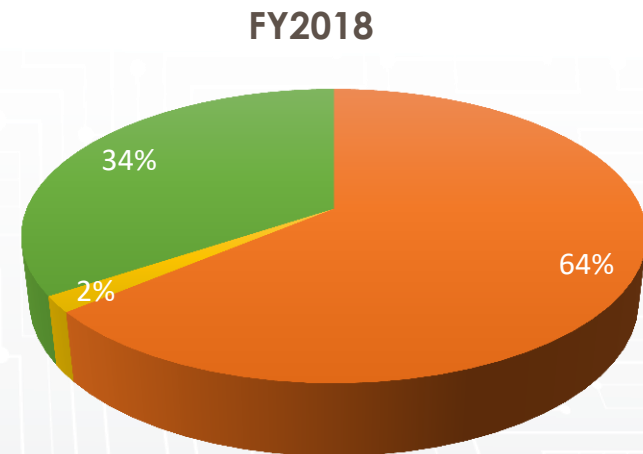
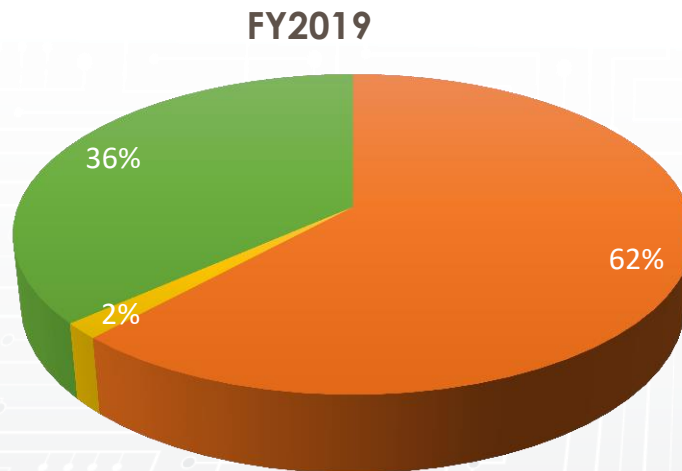
4Q2018



Americas EMEA Asia Pacific

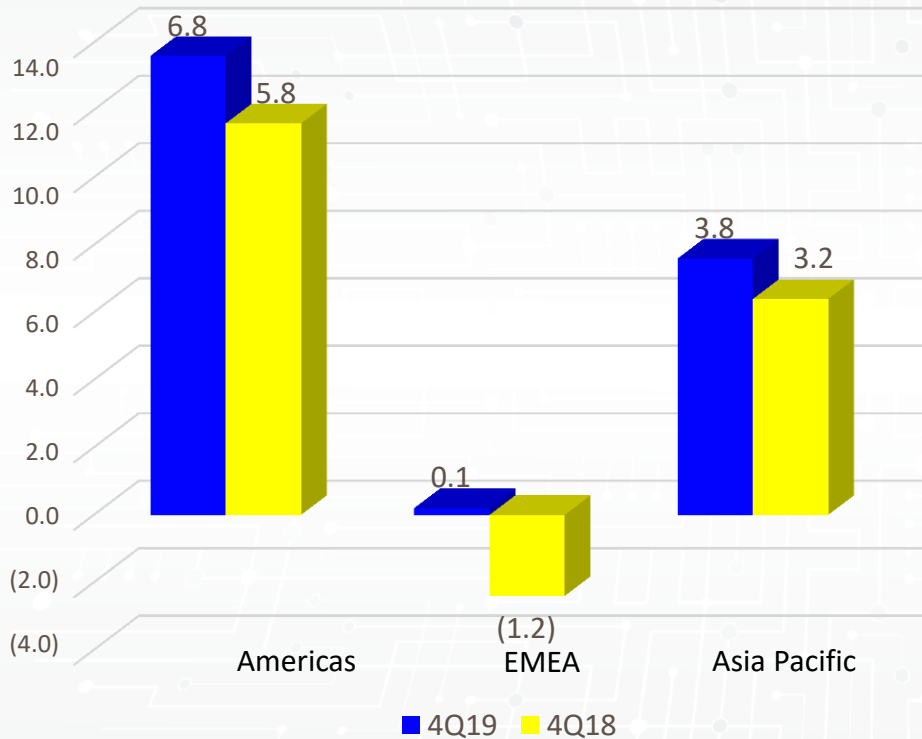
FY2019 Revenue Breakdown By Geographical Segments

S\$ million	FY 2019	FY 2018	YoY%
Americas	279.4	238.7	17.1%
EMEA	7.2	6.6	9.2%
Asia Pacific	165.1	128.2	28.8%
Total	451.8	373.5	21.0%



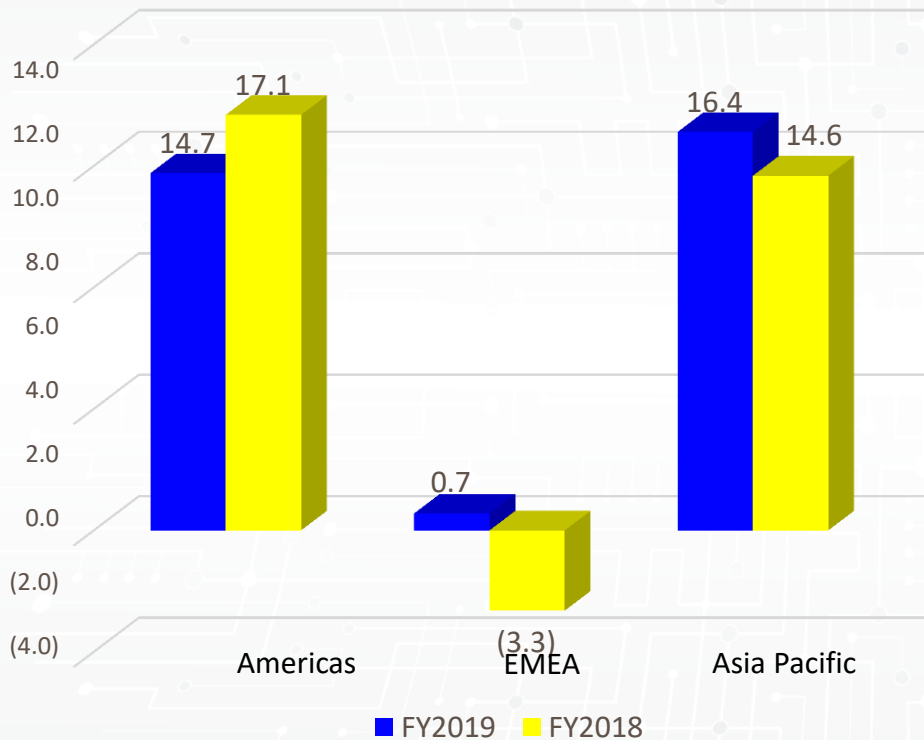
■ Americas ■ EMEA ■ Asia Pacific

4Q19 EBIT Breakdown By Geographical Segments



S\$ million	4Q19	4Q18	YoY%
Americas	6.8	5.8	17.4%
EMEA	0.1	(1.2)	N.M
Asia Pacific	3.8	3.2	19.4%
Total	10.7	7.8	37.9%

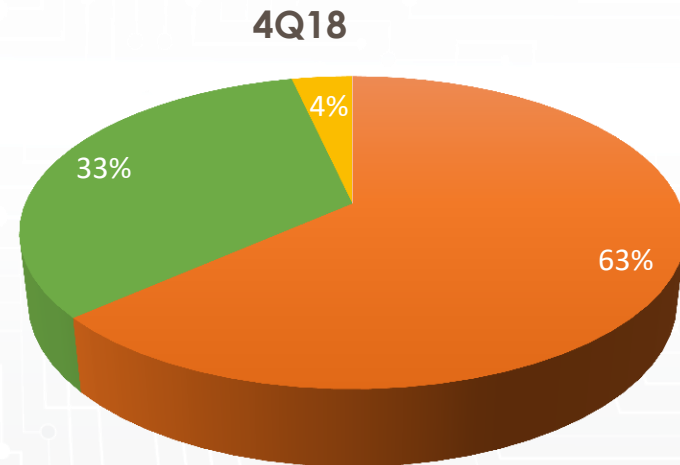
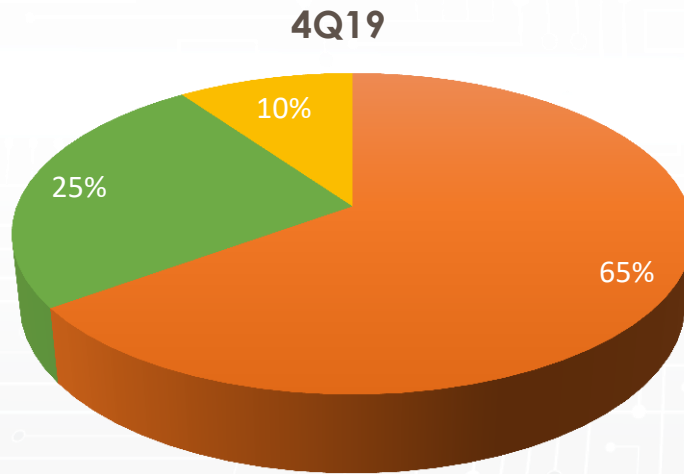
FY2019 EBIT Breakdown By Geographical Segments



S\$ million	FY 2019	FY 2018	YoY%
Americas	14.7	17.1	-14.0%
EMEA	0.7	(3.3)	N.M
Asia Pacific	16.4	14.6	12.1%
Total	31.8	28.4	11.9%

4Q19 Revenue Breakdown By Industry Segments

S\$ million	4Q19	4Q18	YoY%
Oil & Gas	101.8	63.0	61.7%
Infrastructure	39.4	32.8	20.0%
Mining & Mineral	15.4	3.5	338.4%
Total	156.6	99.3	57.7%

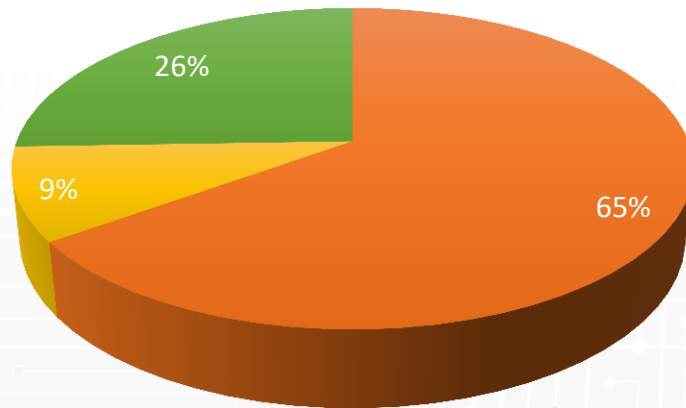


Oil & Gas Infrastructure
Mining & Mineral

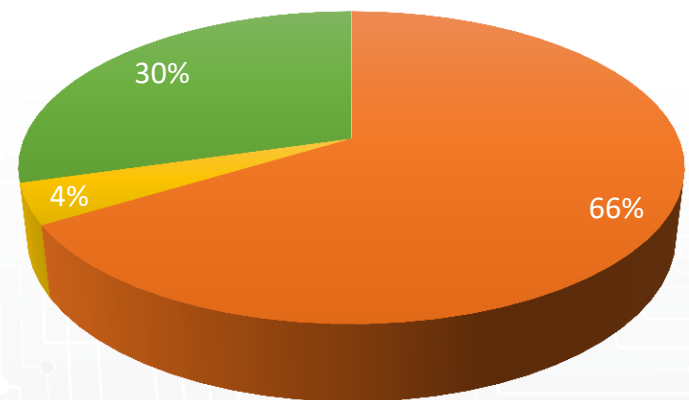
FY 2019 Revenue Breakdown By Industry Segments

S\$ million	FY 2019	FY 2018	YoY%
Oil & Gas	294.1	247.7	18.7%
Infrastructure	115.3	110.1	4.7%
Mining & Mineral	42.4	15.7	170.1%
Total	451.8	373.5	21.0%

FY 2019



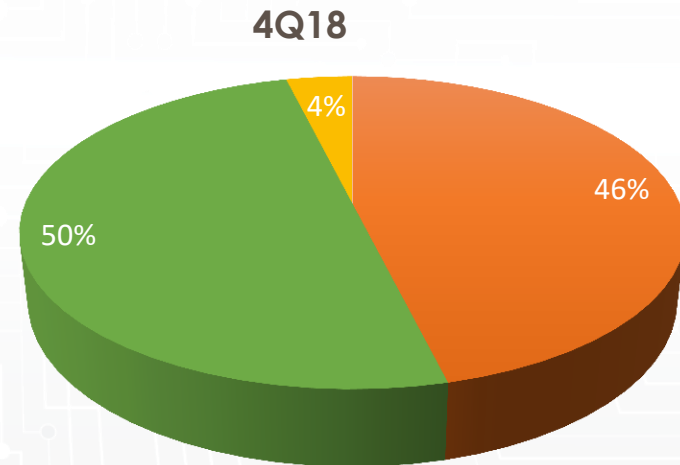
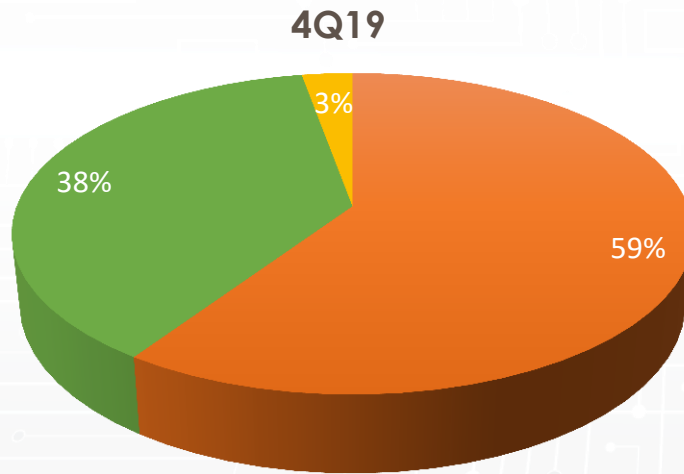
FY 2018



Oil & Gas Mining & Mineral
Infrastructure

4Q19 EBIT Breakdown By Industry Segments

S\$ million	4Q19	4Q18	YoY%
Oil & Gas	6.3	3.6	77.7%
Infrastructure	4.0	3.9	4.4%
Mining & Mineral	0.3	0.3	0.6%
Total	10.7	7.8	37.9%

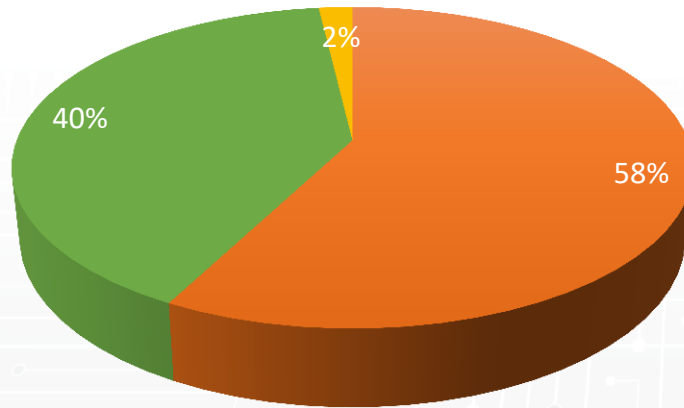


Oil & Gas Infrastructure
Mining & Mineral

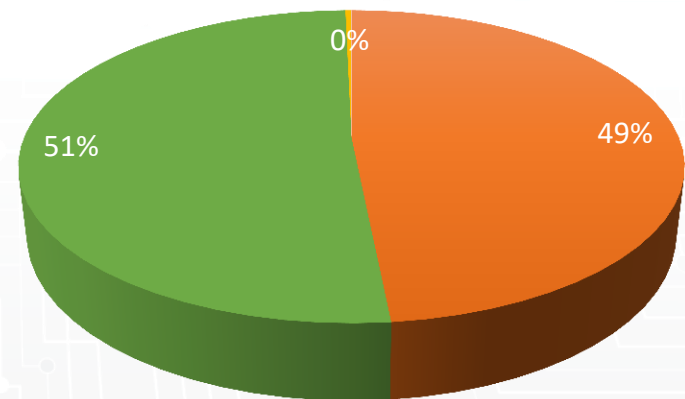
FY 2019 EBIT Breakdown By Industry Segments

S\$ million	FY 2019	FY 2018	YoY%
Oil & Gas	18.4	13.8	33.4%
Infrastructure	12.9	14.6	-11.7%
Mining & Mineral	0.6	0.1	N.M.
Total	31.8	28.4	11.9%

FY 2019



FY 2018



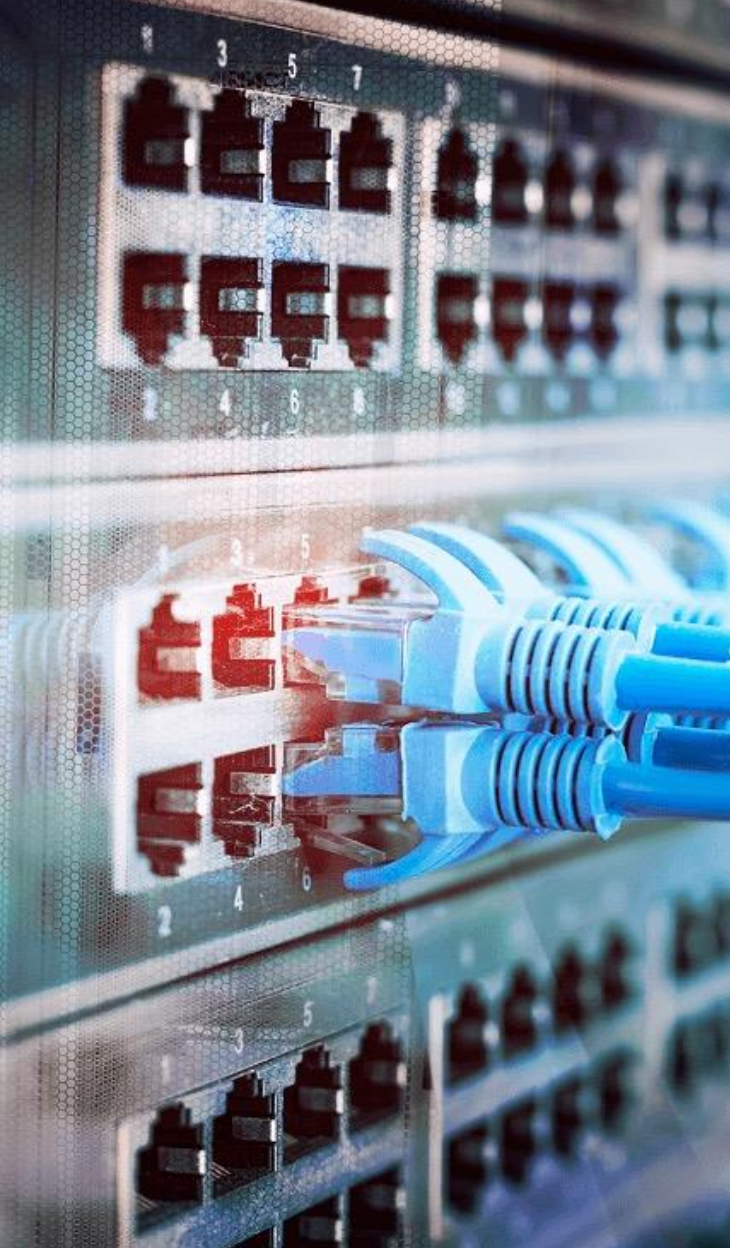
■ Oil & Gas ■ Infrastructure
■ Mining & Mineral

Revenue By Geographical Segments – Quarterly Trends

S\$ million	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
Americas	98.1	67.8	59.8	53.8	62.3	55.8	58.6	62.1
EMEA	2.4	1.6	1.6	1.6	1.5	1.7	2.3	1.0
Asia Pacific	56.1	42.1	37.8	29.2	35.5	34.0	30.4	28.4
Total	156.6	111.5	99.2	84.5	99.3	91.4	91.3	91.4

Revenue By Industry – Quarterly Trends

S\$ million	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
Oil & Gas	101.8	71.3	63.9	57.1	63.0	58.0	61.6	65.2
Infrastructure	39.4	28.9	24.3	22.7	32.8	27.6	26.0	23.7
Mining & Mineral	15.4	11.2	11.1	4.7	3.5	5.9	3.7	2.6
Total	156.6	111.5	99.2	84.5	99.3	91.4	91.3	91.4



Financial Position & Cash Flow

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

(\$\$1.8) million & S\$18.0 million in 4Q19 and
FY2019 respectively

Net cash/(debt)

(\$\$44.5) million at FY19 vs S\$37.9 million at FY18

**Equity attributable to
owners of the
Company**

S\$176.3 million at 31 December 2019 vs
S\$171.2 million at 31 December 2018

NAV per share

34.72 cents at 31 December 2019 vs
33.65 cents at 31 December 2018

Group Balance Sheet

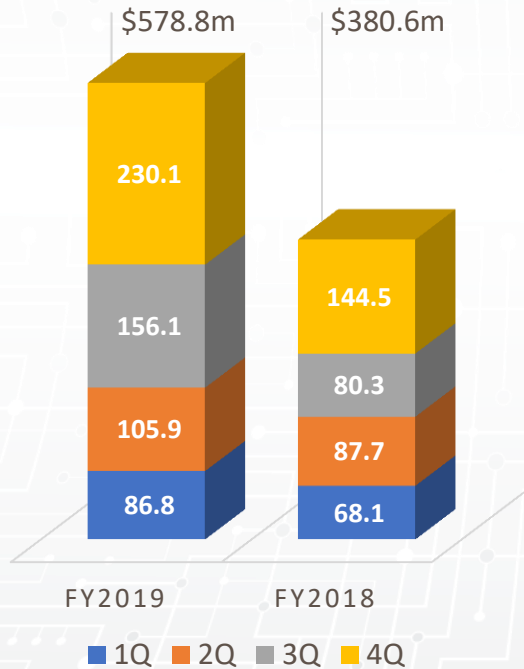
S\$ million	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18
PPE	58.2	59.6	31.6	28.5	28.2
Right-to-use assets	13.8	14.0	12.9	13.4	-
Intangible Assets	58.9	60.0	34.9	29.1	26.0
Cash & Bank Balances	58.6	52.2	43.6	65.2	74.1
Contract Assets (Net)	23.2	23.4	29.3	24.4	22.4
Inventories	21.7	22.2	19.9	17.3	16.5
Trade and Other Receivables	127.9	108.1	85.7	77.2	81.8
Trade Payables and Accruals	71.5	62.1	44.5	41.2	44.5
Loans and borrowings	103.1	97.9	34.9	30.4	36.1
Net Cash/(Debt)	(44.5)	(45.7)	8.6	34.8	37.9
Shareholders' Fund	176.3	170.5	168.2	172.1	171.2

Group Cash Flow Statement

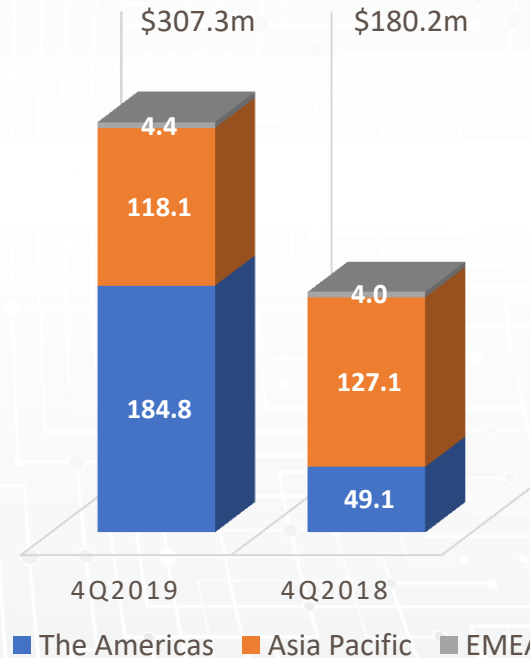
S\$ million	4Q2019	4Q2018	FY2019	FY2018
As at beginning of the period	52.2	56.1	74.1	46.9
Net Operations	(1.8)	9.2	18.0	56.3
Interest and tax	0.4	(4.2)	(6.2)	(9.1)
Capital Expenditure (Net)	(3.1)	(1.3)	(12.5)	(6.0)
Acquisitions	-	-	(65.2)	(1.2)
Restricted cash from acquisition of subsidiary	-	-	(8.0)	-
Bank Loans	5.3	14.4	67.0	4.7
Payment of lease liabilities	(1.7)	-	(3.1)	-
Purchase of treasury shares	-	-	(2.1)	(3.3)
Proceeds from disposal of subsidiary	-	-	3.6	-
Dividends	-	-	(14.0)	(14.2)
Net effect of FX on cash	(0.5)	(0.2)	(0.9)	0.1
Cash and cash equivalent at end of the financial period	50.6	74.1	50.6	74.1
Restricted cash from acquisition of subsidiary	8.0	-	7.4	-
Cash and bank balances at end of the financial period	58.6	74.1	58.6	74.1

Q42019 Order Intake/Book By Geographical Segments

Order Intake from Continuing Operations



Order Book from Continuing Operations



Order Intake By Geographical Segment – Quarterly Trends

S\$ million	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
Americas	185.1	113.4	55.6	61.5	61.6	50.9	53.0	50.2
EMEA	0.9	1.2	2.3	(0.5)	-	-	2.0	(1.5)
Asia Pacific	44.1	41.5	48.0	25.8	83.0	29.4	32.7	19.4
Total	230.1	156.1	105.9	86.8	144.5	80.3	87.7	68.1

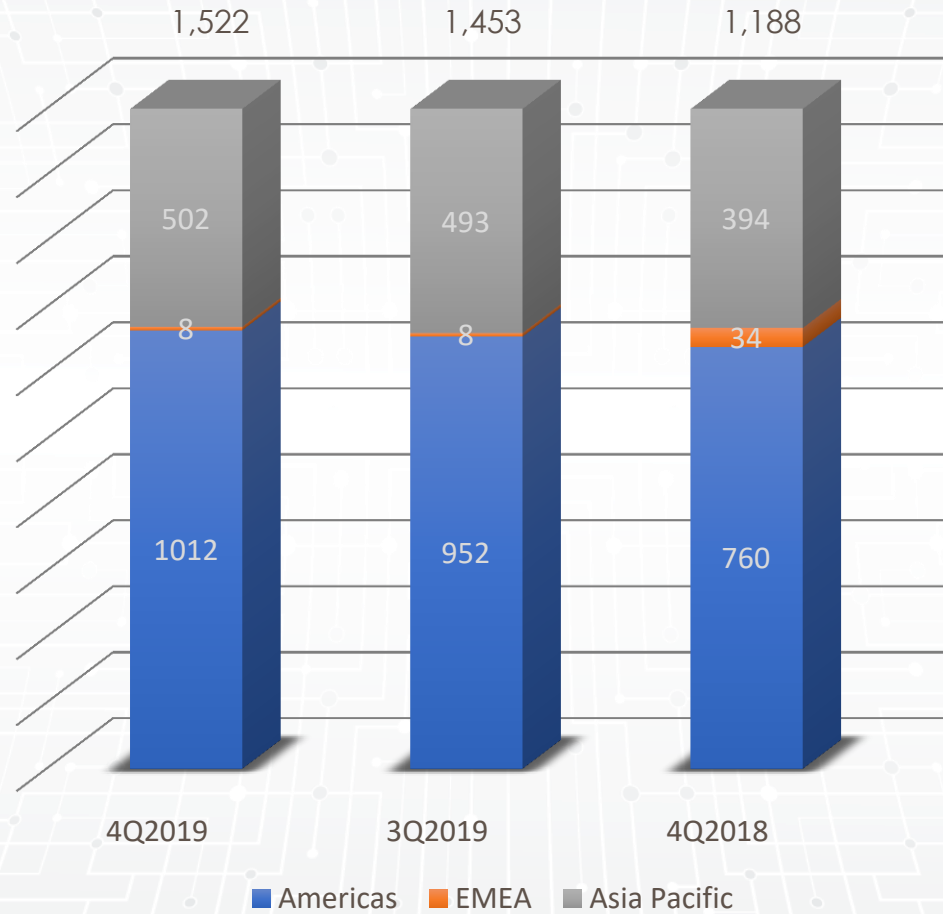
Order Intake By Industry – Quarterly Trends

S\$ million	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
Oil & Gas	189.8	117.0	60.2	65.1	54.4	51.9	59.1	48.6
Infrastructure	24.2	25.1	31.9	17.1	86.0	25.2	24.2	16.3
Mining & Mineral	16.0	14.0	13.8	4.5	4.1	3.1	4.4	3.2
Total	230.1	156.1	105.9	86.8	144.5	80.3	87.7	68.1

Order Book By Industry Segments

S\$ million	4Q19	3Q19	2Q19	1Q19	4Q18	3Q18	2Q18	1Q18
Oil & Gas	182.9	95.4	49.2	52.0	44.9	53.3	59.2	59.6
Infrastructure	112.9	126.6	131.1	126.5	132.1	79.7	82.9	83.5
Mining & Mineral	11.6	10.7	7.3	2.9	3.1	2.6	5.4	4.8
Total	307.3	232.6	187.6	181.4	180.2	135.6	147.6	147.9

Human Resources Allocation





3 Appendices

CSE Global

FX Movement

	4Q19	4Q18	Change (%)	FY2019	FY2018	Change (%)
USD/SGD	1.3702	1.3731	-0.21%	1.3655	1.3470	1.37%
GBP/SGD	1.7415	1.7718	-1.71%	1.7393	1.8032	-3.54%
AUD/SGD	0.9314	0.9906	-5.98%	0.9503	1.0111	-6.01%

Constant Currency Figures

S\$ million	4Q19	4Q18	Change (%)	4Q19 Constant Currency	Change (%)
Revenue	156.6	99.3	57.7%	159.3	60.4%
PATMI	8.1	5.1	60.1%	8.2	62.0%

S\$ million	FY2019	FY2018	Change (%)	FY2019 Constant Currency	Change (%)
Revenue	451.8	373.5	21.0%	457.0	22.4%
PATMI	24.1	20.1	19.6%	23.9	18.9%



CSE Global

Questions & Answers