CSE Global Limited
202 Bedok South Avenue 1,
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Company Registration No.: 198703851D

NEWS RELEASE

CSE Global Reports Revenue of S$234.5 million and Net Profit of S$10.1 million in 1H2021

- **Revenue decreased 8.3% year-on-year, mainly due to project delays, lower time and material revenues in the Americas region impacted by Covid-19 pandemic**
- **Robust order book of S$212.1 million as at 30 June 2021, buoyed by new orders for Infrastructure sector recording 25.1% year-on-year growth**
- **Board recommends one-tier tax-exempt dividend of 1.25 Singapore cents per ordinary share**

Group Financial Highlights			
S$'000	**1H2021**	**1H2020**	**Change (%)**
Revenue	234,455	255,575	-8.3
Gross profit	70,006	77,437	-9.6
EBITDA	23,563	28,576	-17.5
Net profit	10,071	15,090	-33.3
Gross profit margin	29.9%	30.3%	-0.4 pp
Net profit margin	4.3%	5.9%	-1.6 pp
Net cash generated from operations	15,111	33,959	-55.5
New orders received	210,556	242,072	-13.0
Outstanding orders	212,097	293,801	-27.8

Singapore, 11 August 2021 **– CSE Global Limited** ("**CSE Global**" or the "**Group**"), a global technologies company, announced today its financial results for the half year ended 30 June 2021 ("**1H2021**").

Revenue decreased by 8.3% year-on-year to S$234.5 million from S$255.6 million in the previous corresponding period ("**1H2020**"). This was due mainly to delay in projects and lower time and material revenues in the Americas region impacted by the Covid-19 pandemic, the severe winter in the first quarter as well as volatile energy prices. Net profit stood at S$10.1 million, 33.3% lower than the S$15.1 million recorded in 1H2020, attributable to lower revenues and lower favourable exchange differences.

Mr Lim Boon Kheng, Group Managing Director of CSE Global, said, "We are pleased to deliver yet another set of resilient results in 1H2021 amidst the ongoing pandemic and uncertain economic outlook. The Group secured a healthy pipeline of projects in excess of S$200 million in 1H2021. In particular, we see opportunities in the Infrastructure sector with the need for more public infrastructure projects, alongside growing digitalisation, automation, physical and cyber-security requirements."

The Board of Directors has recommended a one-tier tax-exempt interim dividend of 1.25 Singapore cents per ordinary share. The payment of the interim dividend will be on 2 September 2021.

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CSE Global

1H2021 Financial Review

With lower revenue, the Group's gross profit decreased correspondingly by 9.6% to S$70.0 million from S$77.4 million in 1H2020 while gross margin remained relatively stable at 29.9%.

EBITDA decreased 17.5% to S$23.6 million in 1H2021, compared to 1H2020's S$28.6 million, due mainly to lower gross profits and lower favourable exchange differences of S$2.1 million, partially offset by the reduction in operating expenses.

With higher depreciation and amortisation expenses of S$0.7 million but lower interest expenses of S$0.4 million as compared to 1H2020, net profit in 1H2021 decreased by 33.3% to S$10.1 million.

The Group generated a cash inflow from operations of S$15.1 million in 1H2021, compared to S$34.0 million in 1H2020. The Group's net debt position was S$51.7 million as at 30 June 2021, after S$6.0 million was incurred for business acquisitions in 1H2021 and dividend payments of S$7.7 million.

As at 30 June 2021, the Group's earnings per ordinary share ("**EPS**") was 1.97 Singapore cents and cash and bank balances was S$56.3 million.

1H2021 Revenue Performance By Geography

Revenue by Geography (S$'000)	1H2021	1H2020	Change (%)
Americas	137,414	172,236	-20.2
Asia Pacific	91,108	81,416	11.9
EMEA	5,933	1,923	208.5
Total	**234,455**	**255,575**	**-8.3**

In 1H2021, the geographical regions of the Americas, Asia Pacific and Europe/Middle East/Africa ("**EMEA**") contributed 58.6%, 38.9% and 2.5% to revenue respectively.

Revenue in the Americas region declined 20.2% to S$137.4 million in 1H2021, mainly attributed to the delay in projects, lower time and material revenues impacted by Covid-19 pandemic and volatile energy prices.

Asia Pacific region recorded a moderate revenue growth of 11.9% to S$91.1 million due to higher recognition of revenue from infrastructure projects in Australia in 1H2021, whilst EMEA region registered a 208.5% increase in revenue to S$5.9 million, mainly due to contributions from new acquisitions in United Kingdom ("**UK**").

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Operational Update

Order Intake by Industry Segment (S$'000)	1H2021	1H2020	Change (%)
Energy	106,389	141,641	-24.9
Infrastructure	79,694	63,681	25.1
Mining & Minerals	24,473	36,750	-33.4
Total	**210,556**	**242,072**	**-13.0**

The Group's order intake in 1H2021 decreased by 13.0% to S$210.6 million as compared to S$242.1 million in 1H2020, as a result of lower orders in the Energy sector due to delays in project awards and the slower than expected recovery in demand for industrial automation systems and services. The Energy sector was impacted by the disruptions caused by Covid-19, severe winter weather in the USA, and volatile energy and bought in material prices.

On the other hand, new orders for the Infrastructure sector soared 25.1% year-on-year to S$79.7 million, mainly attributable to higher orders of radio communication and solutions due to a stronger pipeline of infrastructure projects across all key operating geographies of Australia, UK and USA.

The Mining & Minerals sector clinched S$24.5 million worth of new orders in 1H2021, compared to S$36.8 million in 1H2020 which included two greenfield mining projects worth approximately S$16.5 million to supply radio communication equipment and solutions in Australia.

The Group's order book stands at S$212.1 million as at 30 June 2021.

"Our strategy has been to focus on deepening our presence in the key markets of USA, Australia/New Zealand, Singapore and UK, and we intend to continue to focus on growing our opportunity set in these markets. At the same time, we will also look to leverage our engineering capabilities and technology solutions to pursue new market opportunities or diversify into new markets, such as renewables and building automation, brought about by the emerging secular trends of urbanisation, electrification and decarbonisation," added Mr Lim.

End of Release

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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, 42 offices, and 1,400 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.cseglobal.com for more.

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