

CSE Global Limited

1H 2019 Results Briefing

Fullerton Hotel
15 August 2019



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Address by CEO



Corporate Profile

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

Geographical presence



- 17 countries, 39 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

1H 2019 Business Overview

General Sentiments

1H 2019 overall a good result, markets remains cautious

Positives

- Gross margins are stable at around 27.8%
- Improvement in net profit by 1.9%
- Positive operating cash flow of S\$6.2 million
- Stable order intake of S\$193.9 million

Negatives

- The lull in large greenfield projects for oil & gas continues

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 2019 Key Strategies

Securing growth on key business fronts

Oil & Gas (Americas)

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

Infrastructure (Singapore)

- Singapore Government
- Focus on security, transportation related projects

Infrastructure (Australia)

- Energy Solutions
- Radio Business

FY 2019 Outlook

Financial Performance

- Anticipate an increase in activities in the markets served, together with a more stable pricing environment.
- Consequently, expect improvements in the Group's financial performance for FY 2019.

Cash Flow

- In view of the market uncertainties, capital discipline is of utmost importance.
- Nevertheless, the Group is confident of generating positive operating cash flow for FY 2019.

Inorganic Growth

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

Dividend Policy

- Intends to maintain dividend at 2.75 cents per share per year
- Declares interim dividend of 1.25 cents per share

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Financial Performance by CFO



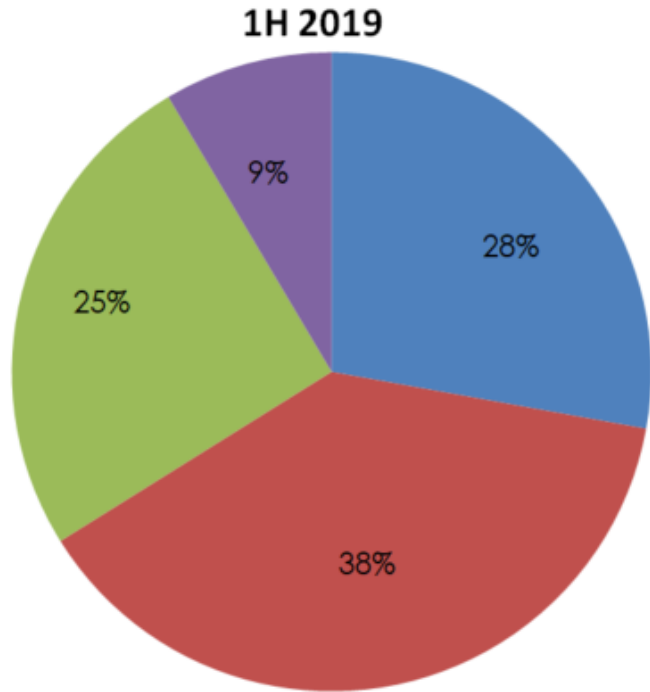
1H 2019 Financial Snapshot

+0.5%	Revenue of S\$185.3 million
+90 bps	Gross margins of 27.8%
+1.7%	EBIT of S\$13.2 million
+1.9%	Net profit of S\$10.2 million
+3.6%	EPS of 2.01 Singapore cents
+22.6%	Order Intake of S\$193.9 million
+80 bps	Annualised ROE of 12.2%

Summary Financials

S\$ million	2Q 2019	2Q 2018	Change (%)	1H 2019	1H 2018	Change (%)
Revenue	99.9	92.1	8.4%	185.3	184.3	0.5%
Gross Profit	27.8	24.8	11.9%	51.5	49.5	3.9%
Operating expenses	21.5	19.8	8.5%	39.4	38.2	3.2%
Operating profit	6.3	5.0	25.7%	12.1	11.3	6.3%
EBIT	6.2	5.2	19.5%	13.2	13.0	1.7%
Profit attributable to shareholders	4.5	4.3	3.9%	10.2	10.0	1.9%
Gross margin (%)	27.8%	26.9%	+90bps	27.8%	26.9%	+90bps
EBIT margin (%)	6.2%	5.6%	+60bps	7.1%	7.1%	-
Net margin (%)	4.5%	4.7%	-20bps	5.5%	5.4%	+10bps
Operating cash flow from operations	0.6	27.9	-97.9%	6.2	22.6	-72.6%
Net Cash/(loan)	8.6	20.9	-58.8%	8.6	20.9	-58.8%
Order intake	106.3	89.1	19.3%	193.9	158.1	22.6%
Order book/backlog	188.1	148.8	26.5%	188.1	148.8	26.5%
ROE (annualised)	10.7%	9.9%	+80bps	12.2%	11.4%	+80bps

1H 2019 Revenue Breakdown By Industry Segments



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

S\$ million	1H 2019	1H 2018	YoY%
Oil & Gas - Onshore	51.6	58.7	-12.1%
Oil & Gas - Offshore	70.9	69.6	1.9%
Infrastructure	47.0	49.7	-5.4%
Mining & Mineral	15.8	6.3	150.8%
Total	185.3	184.3	0.5%

Australia communication revenue:

1H19 S\$27.0m

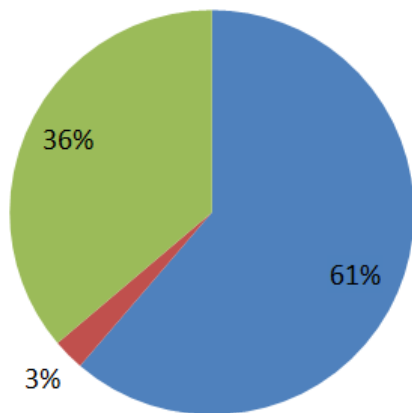
1H18 S\$25.3m

Infrastructure: Power, Water, Waste Treatment & Transportation

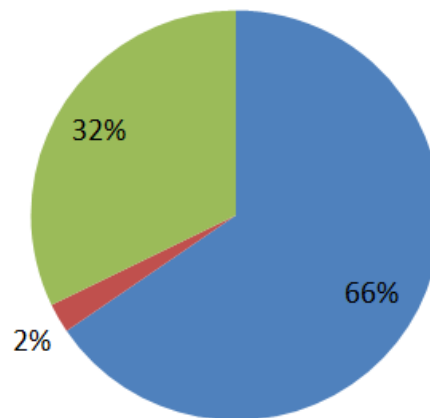
1H 2019 Revenue Breakdown By Geographical Segments

S\$ million	1H 2019	1H 2018	YoY%
Americas	113.6	120.6	-5.9%
EMEA	4.7	4.3	8.7%
Asia Pacific	67.0	59.4	12.9%
Total	185.3	184.3	0.5%

1H 2019

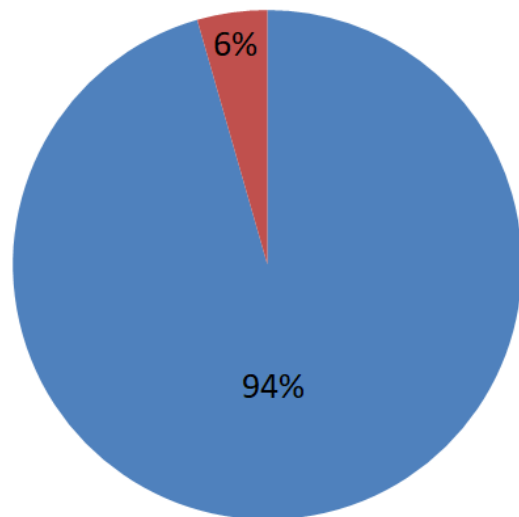


1H 2018



1H 2019 Revenue Breakdown By Projects

1H 2019



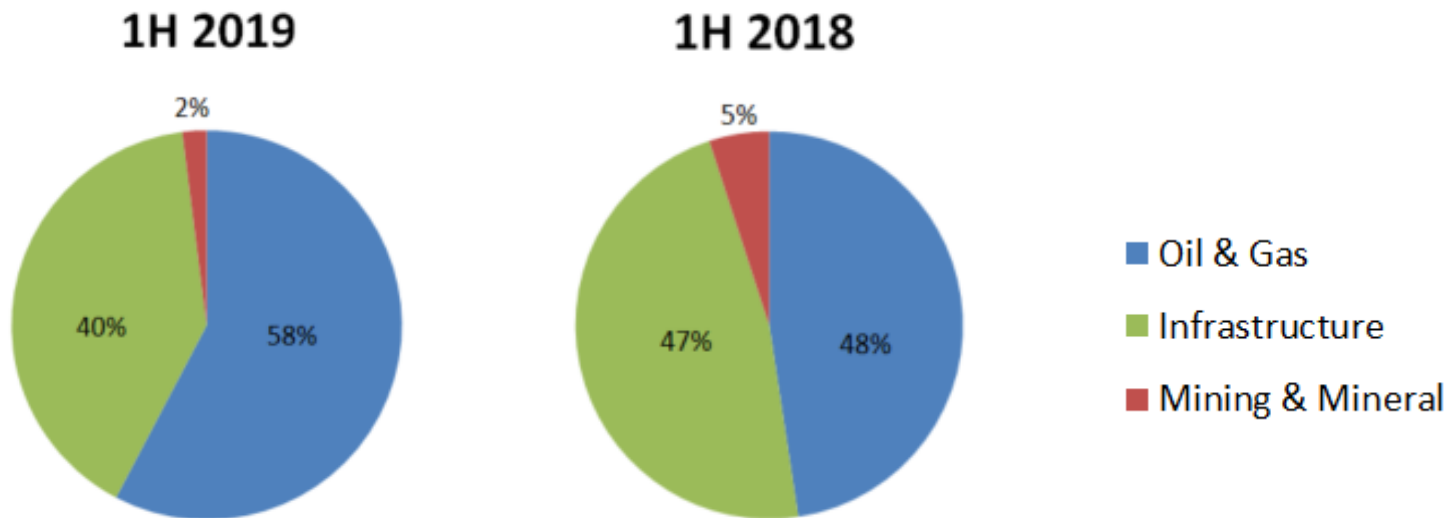
■ Flow Business ■ Large Greenfield Projects

S\$ million	1H 2019	1H 2018	YoY%
Flow Business*	174.2	167.1	4.2%
Large Greenfield Projects	11.1	17.2	-35.5%
Total	185.3	184.3	0.5%
Flow Business %	94%	91%	

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

1H 2019 EBIT Breakdown By Industry Segments

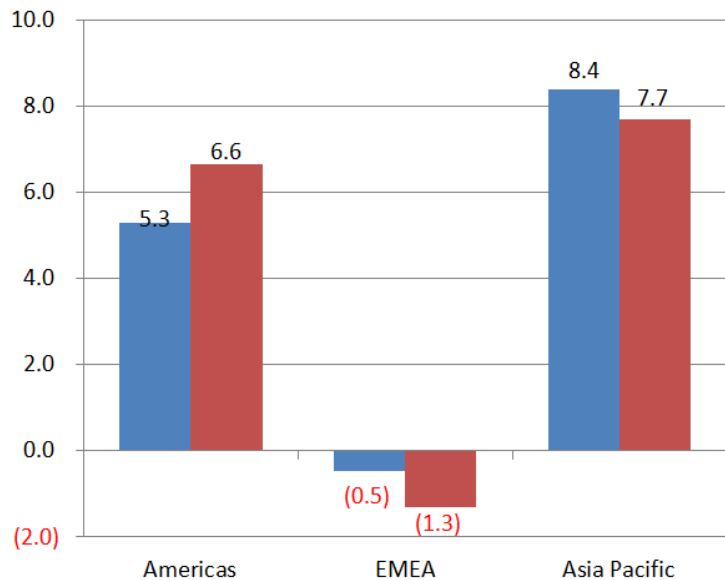
S\$ million	1H 2019	1H 2018	YoY%
Oil & Gas	7.6	6.2	23.2%
Infrastructure	5.3	6.2	-13.5%
Mining & Mineral	0.3	0.7	-59.3%
Total	13.2	13.0	1.7%



Infrastructure: Power, Water, Waste Treatment & Transportation

1H 2019 EBIT Breakdown By Geographical Segments

1H 2019



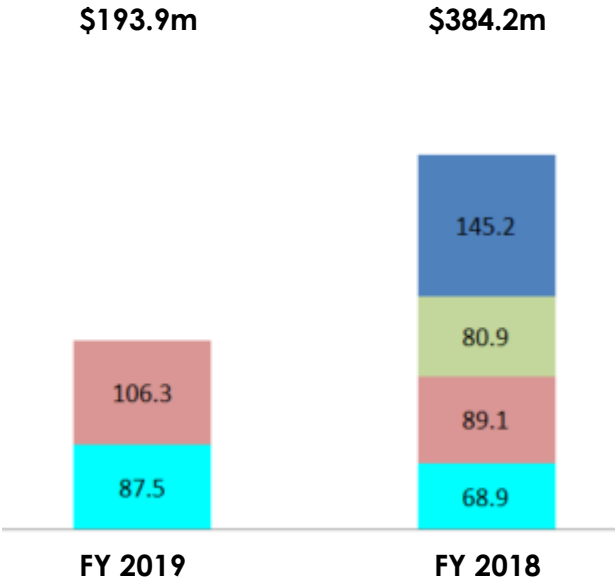
■ 1H 2019

■ 1H 2018

S\$ million	1H 2019	1H 2018	YoY%
Americas	5.3	6.6	-20.3%
EMEA	-0.5	-1.3	65.1%
Asia Pacific	8.4	7.7	9.2%
Total	13.2	13.0	1.7%

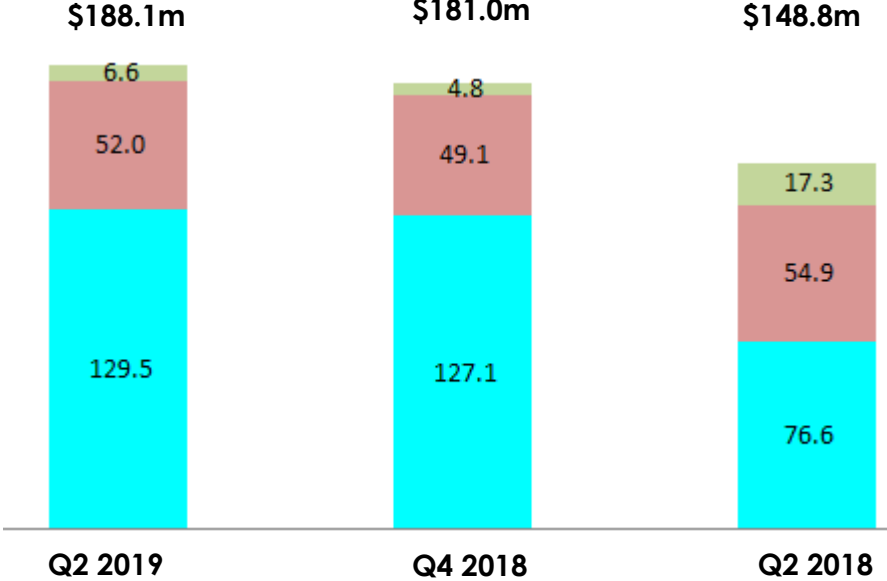
Q2 2019 Order Book Breakdown By Geographical Segments

New orders



- 4Q
- 3Q
- 2Q
- 1Q

Outstanding orders



- EMEA
- The Americas
- Asia Pacific

Outstanding Order By Industry Segments

S\$ million	2Q 2019	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018
Oil & Gas	49.7	52.7	45.8	54.2	60.4	60.3
Infrastructure	131.1	126.5	132.1	79.7	82.9	83.5
Mining & Mineral	7.3	2.9	3.1	2.6	5.4	4.8
Total	188.1	182.2	181.0	136.5	148.8	148.6

Revenue By Industry – Quarterly Trends

S\$ million	2Q 2019	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018
Oil & Gas	64.6	57.9	63.7	58.9	62.5	65.9
Infrastructure	24.3	22.7	32.8	27.6	26.0	23.7
Mining & Mineral	11.1	4.7	3.5	5.9	3.7	2.6
Total	99.9	85.4	100.1	92.4	92.1	92.2

Financial Position & Cash Flow

Cash inflow from operations

S\$0.6 million in 2Q 2019, mainly due to increased funding for working capital of S\$8.3m for commencement of projects secured earlier.

Net cash

S\$8.6 million at 2Q 2019 vs S\$34.8 million at 1Q 2019

Equity attributable to owners of the Company

S\$168.2 million at 30 June 2019 vs S\$172.0m at 31 Mar 2019.

NAV per share

33.11 cents at 30 June 2019 vs 33.87 cents at 31 March 2019.

Group Balance Sheet

S\$ million	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18	30-Jun-18
Cash at Hand & Bank	43.6	65.2	74.1	56.1	54.1
Quoted Investments	1.3	1.3	1.3	1.3	1.3
Contract Assets (Net)	29.3	24.4	22.4	24.7	39.4
Inventories	19.9	17.3	16.5	17.5	15.0
Trade Receivables	68.4	61.6	64.9	64.8	71.7
Other Receivables	17.3	15.6	17.0	17.1	17.3
Trade Payables and Accruals	44.5	41.2	44.5	49.6	50.2
Net Current Assets	96.4	109.5	114.5	106.5	113.6
Loans and borrowings	34.9	30.4	36.1	21.7	33.2
Net Cash/(loan)	8.6	34.8	37.9	34.4	20.9
Shareholders' Fund	168.2	172.1	171.2	164.2	169.5

Group Cash Flow Statement

S\$ million	2Q 2019	2Q 2018	1H 2019	1H 2018
As at beginning of the period	65.2	43.2	74.1	46.9
Net Operations	0.6	27.9	6.2	22.6
Interest and tax	(2.7)	(3.2)	(3.6)	(5.2)
Capital Expenditure (Net)	(4.8)	(1.1)	(6.9)	(2.0)
Payment for subsidiary/assets acquired	(11.8)	-	(15.0)	(1.0)
Quoted Investment	-	-	-	-
Bank Loans	4.9	(4.3)	(0.8)	1.8
Purchase of treasury shares	-	(1.5)	(2.1)	(1.5)
Dividends	(7.6)	(7.7)	(7.6)	(7.7)
Net effect of FX on cash	(0.4)	0.9	(0.7)	0.3
As at end of period	43.6	54.1	43.6	54.1

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Appendices



Revenue By Geographical Region – Quarterly Trends

S\$ million	2Q 2019	1Q 2019	4Q 2018	3Q 2018	2Q 2018	1Q 2018
Americas	59.8	53.8	62.3	55.8	58.6	62.1
EMEA	2.3	2.4	2.1	2.5	2.9	1.4
Asia Pacific	37.8	29.2	35.7	34.1	30.7	28.7
Total	99.9	85.4	100.1	92.4	92.1	92.2

FX Movement

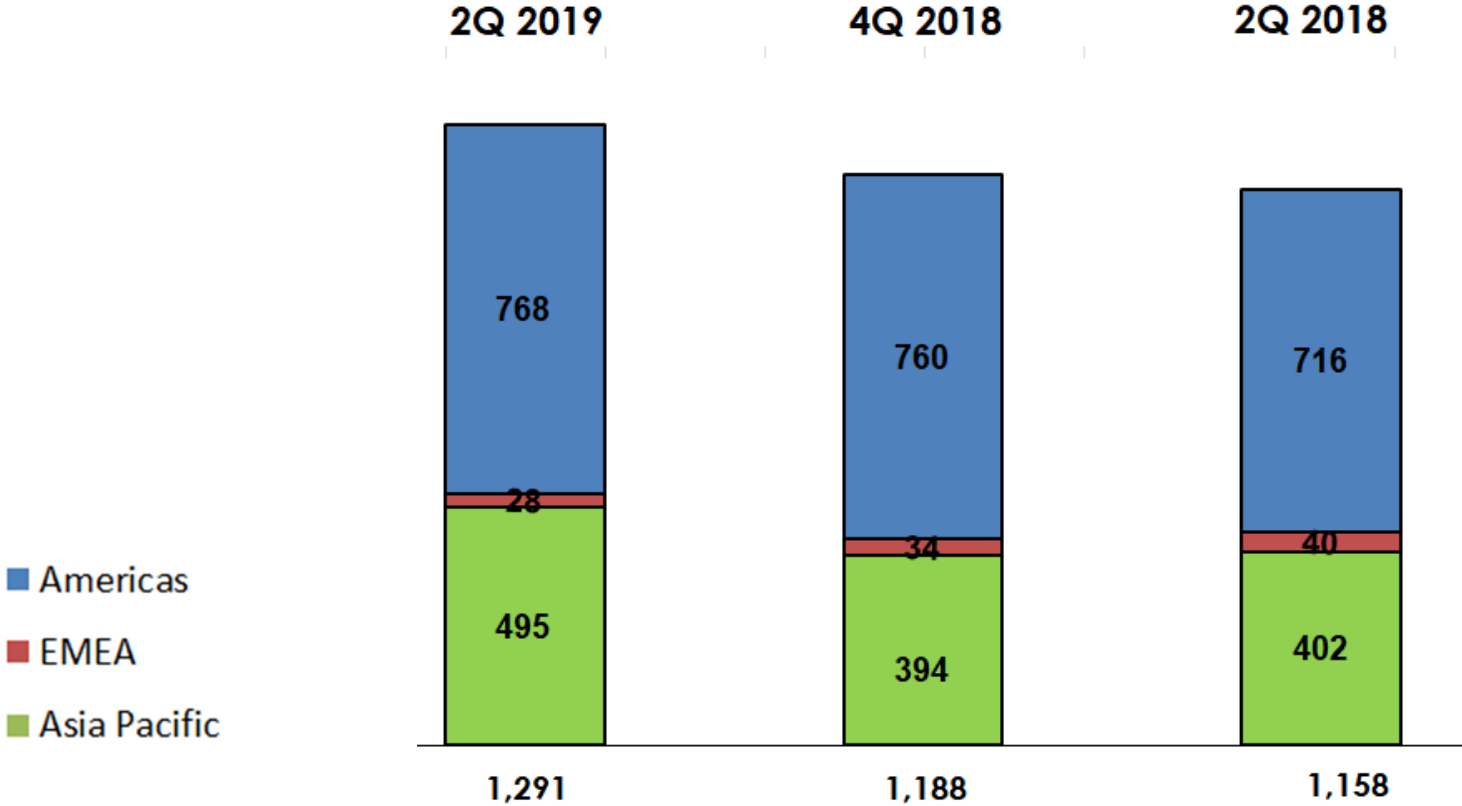
	2Q 2019	2Q 2018	Change (%)	1H 2019	1H 2018	Change (%)
USD/SGD	1.3653	1.3260	2.96%	1.3603	1.3247	2.68%
GBP/SGD	1.7621	1.8273	-3.57%	1.7615	1.8274	-3.60%
AUD/SGD	0.9589	1.0051	-4.59%	0.9635	1.0253	-6.03%

Constant Currency Figures

S\$ million	2Q 2019	2Q 2018	Change (%)	2Q 2019 Constant Currency	Change (%)
Revenue	99.9	92.1	8.4%	99.5	8.0%
PATMI	4.5	4.3	3.9%	4.4	2.7%

S\$ million	1H 2019	1H 2018	Change (%)	1H 2019 Constant Currency	Change (%)
Revenue	185.3	184.3	0.5%	185.3	0.6%
PATMI	10.2	10.0	1.9%	10.2	1.7%

Human Resources Allocation





CSE *Global*

THANK YOU

Questions & Answers