



CSE

3Q Interim Business Update

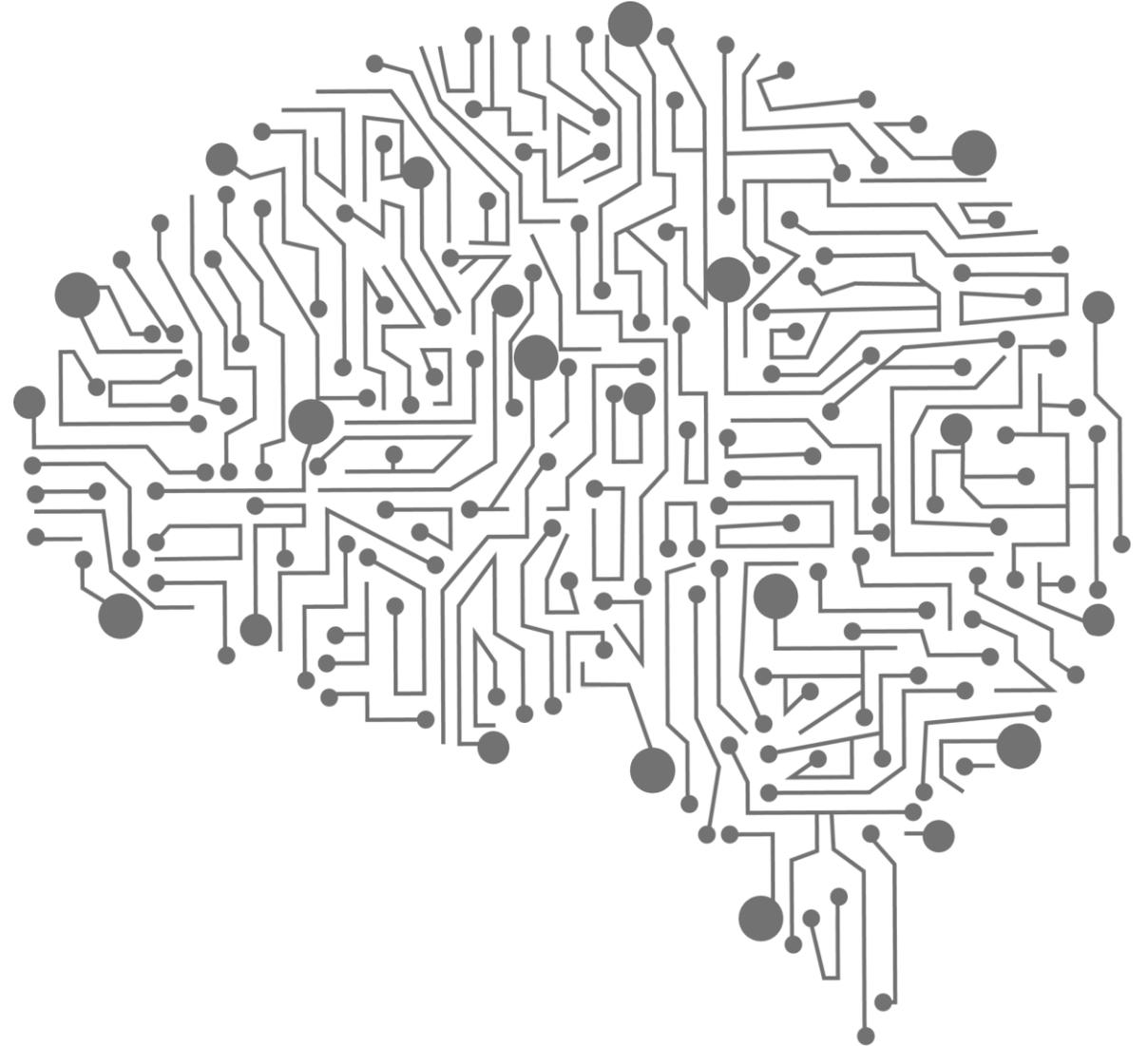
17 November 2022

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- 1 **3Q2022/9M2022 Financial Performance**
- 2 **Business Overview**
- 3 **Key Strategies**
- 4 **FY2022 Outlook**



Financial Performance in 3Q2022

- **Revenue: +S\$25.5m (+22.0% yoy)** due to:
 - Energy: +S\$4.8m (+7.1% yoy) as a result of more project, time and material revenues recognized in the Americas region;
 - Infrastructure: +S\$16.6m (+44.8% yoy) across all key geographies in Australia, Singapore, UK and USA;
 - Mining & Minerals: +S\$4.1m (+37.7% yoy) attributed to projects are progressing as compared to delays in project execution in 3Q2021
- **Order intake surged by 37.1% to S\$164.9m** as compared to 3Q2021 of S\$120.3m with healthy growth in orders across all three business sectors:
 - Energy: higher field services orders in the Americas region
 - Infrastructure: several wastewater and industrial project orders secured in the Americas region arising from increased infrastructure spending
 - Mining & Minerals: steady pipeline of orders for radio communication network projects from mining customers in Australia
- **Robust order book of S\$412.8m vs S\$216.8m in September 2021**

Revenue

S\$141.1m

▲ 22.0%

Order Intake

S\$164.9m

▲ 37.1%

Order Book as at 30 September 2022

S\$412.8m

▲ 90.4%

Financial Performance in 9M2022

- **Revenue: +S\$53.2m (+15.2% yoy)** due to:
 - Energy: -S\$5.5m (-2.7% yoy) as a result of lower large project revenues recognized in the Americas region;
 - Infrastructure: +S\$50.2m (+46.8% yoy) across Australia, Singapore, UK and USA;
 - Mining & Minerals: +S\$8.5m (+24.4% yoy) attributed to projects are progressing and eased restrictions as compared to delays in project execution from poor weather conditions and Covid-19 disruptions in 9M2021
- **Order intake surged by 77.3% to S\$586.6m** attributed to:
 - Energy: higher field services orders, new contracts for renewables market and for maintenance of integrated control systems for production facilities secured in the Americas region
 - Infrastructure: new major contracts for data-centre market and several wastewater and industrial project orders secured in the Americas region; stronger orders of radio communication equipment and solutions led by utility and renewable customers in Australia and UK
 - Mining & Minerals: steady pipeline of orders for radio communication network projects from mining customers in Australia
 - Total orders in the first nine months of 2022 have surpassed that of the whole of 2021
- **Robust order book of S\$412.8m vs S\$216.8m in September 2021**

Revenue

S\$403.3m

▲ 15.2%

Order Intake

S\$586.6m

▲ 77.3%

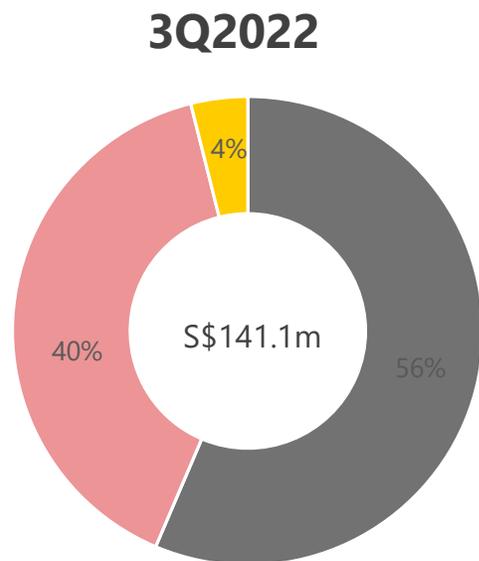
Order Book as at 30 September 2022

S\$412.8m

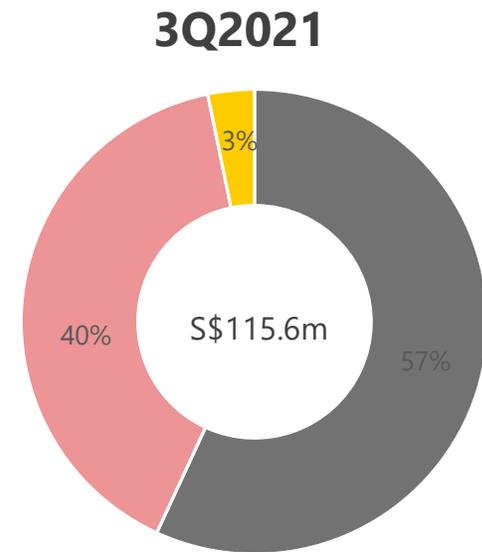
▲ 90.4%

3Q2022: Revenue Breakdown By Geographical Segments

S\$ million	3Q2022	3Q2021	YoY %
Americas	79.6	65.8	21.0%
Asia Pacific	56.0	46.1	21.4%
EMEA	5.5	3.7	48.0%
Total	141.1	115.6	22.0%



■ Americas ■ Asia Pacific ■ EMEA

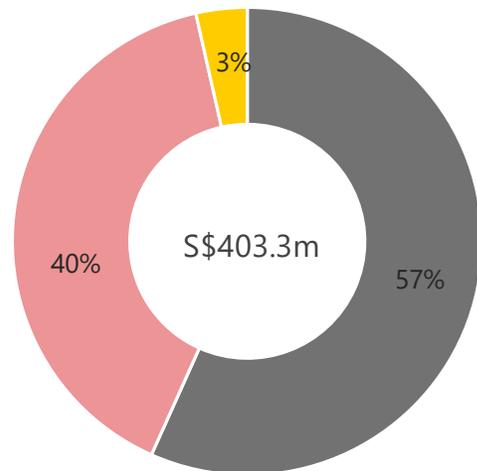


■ Americas ■ Asia Pacific ■ EMEA

9M2022: Revenue Breakdown By Geographical Segments

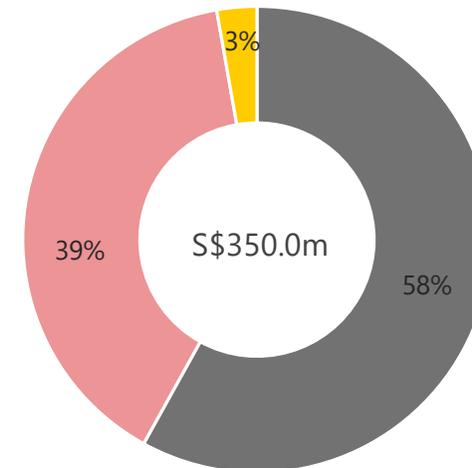
S\$ million	9M2022	9M2021	YoY %
Americas	228.6	203.2	12.5%
Asia Pacific	160.4	137.2	16.9%
EMEA	14.2	9.7	47.1%
Total	403.3	350.0	15.2%

9M2022



■ Americas ■ Asia Pacific ■ EMEA

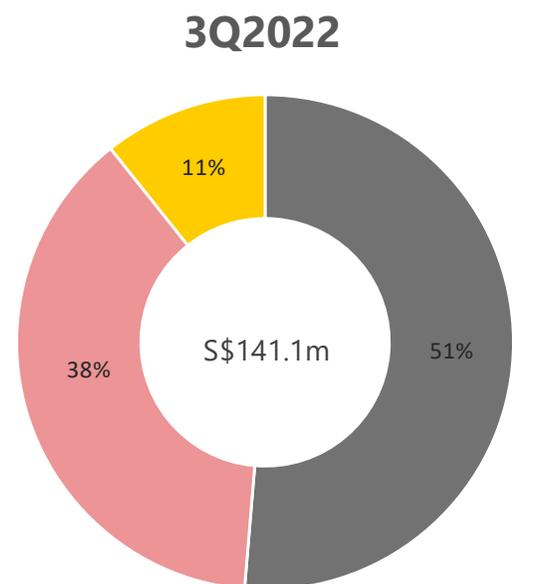
9M2021



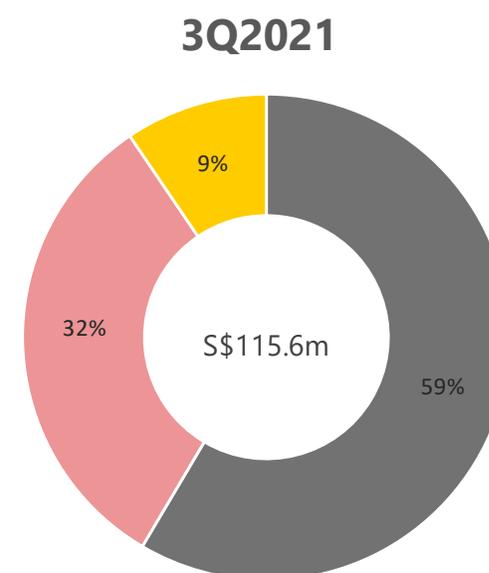
■ Americas ■ Asia Pacific ■ EMEA

3Q2022: Revenue Breakdown By Industry

S\$ million	3Q2022	3Q2021	YoY %
Energy	72.4	67.6	7.1%
Infrastructure	53.6	37.0	44.8%
Mining & Minerals	15.1	10.9	37.7%
Total	141.1	115.6	22.0%



■ Energy ■ Infrastructure ■ Mining & Minerals

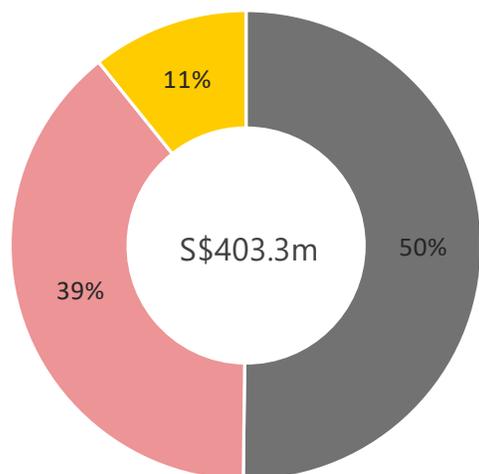


■ Energy ■ Infrastructure ■ Mining & Minerals

9M2022: Revenue Breakdown By Industry

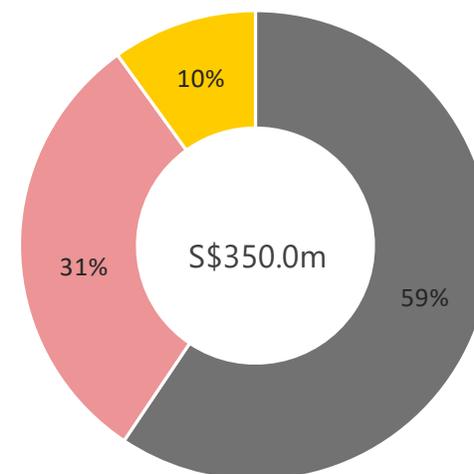
S\$ million	9M2022	9M2021	YoY %
Energy	202.4	207.9	-2.7%
Infrastructure	157.5	107.3	46.8%
Mining & Minerals	43.3	34.8	24.4%
Total	403.3	350.0	15.2%

9M2022



■ Energy ■ Infrastructure ■ Mining & Minerals

9M2021

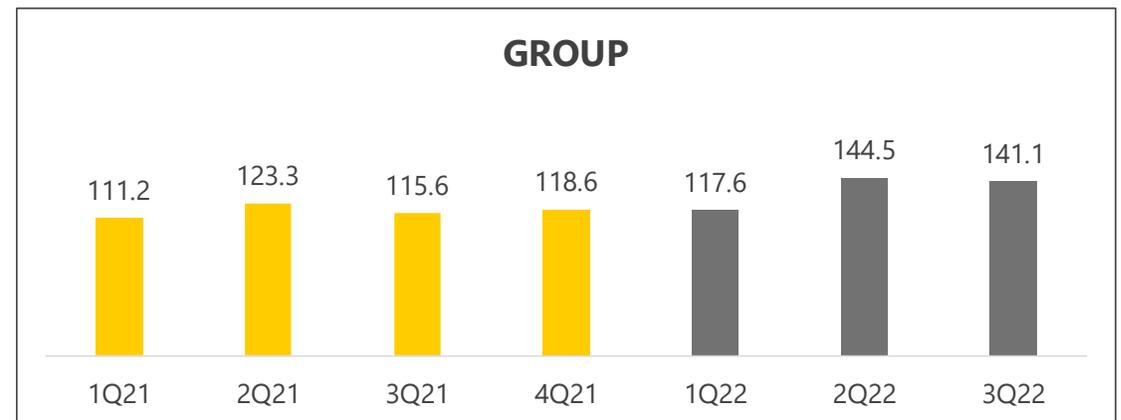
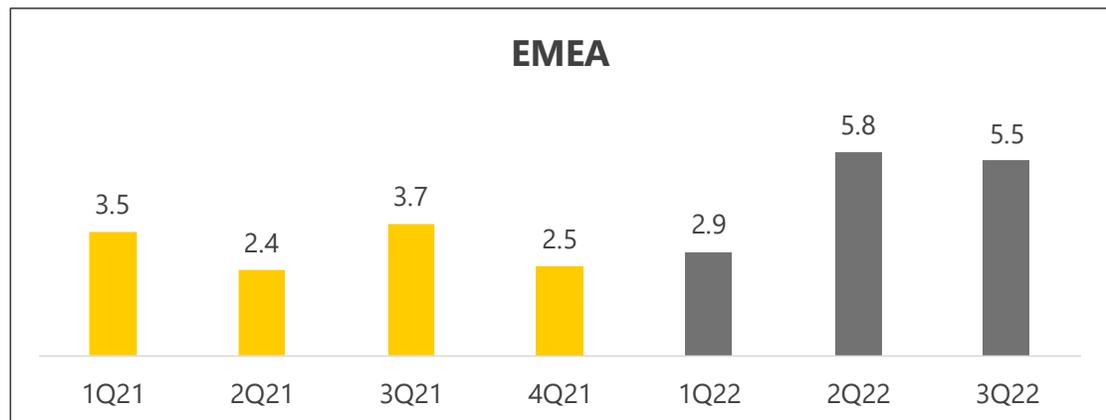
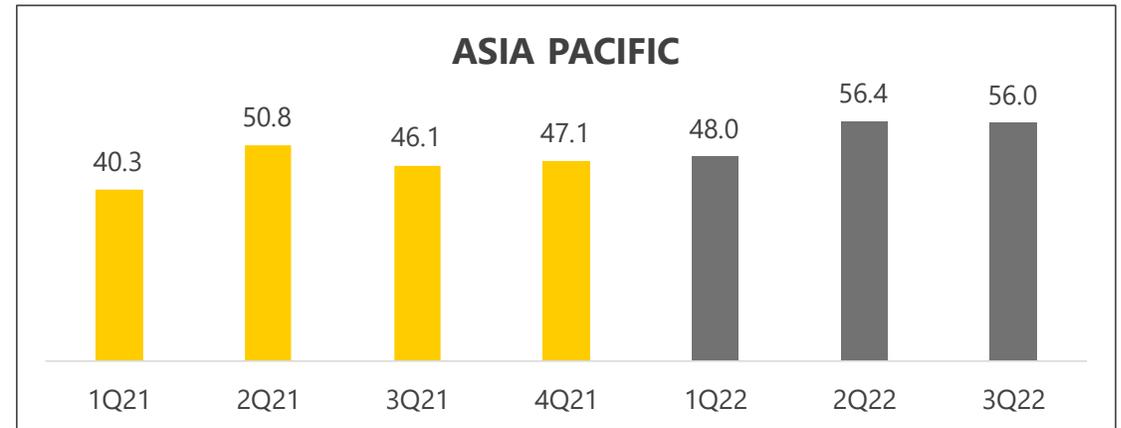
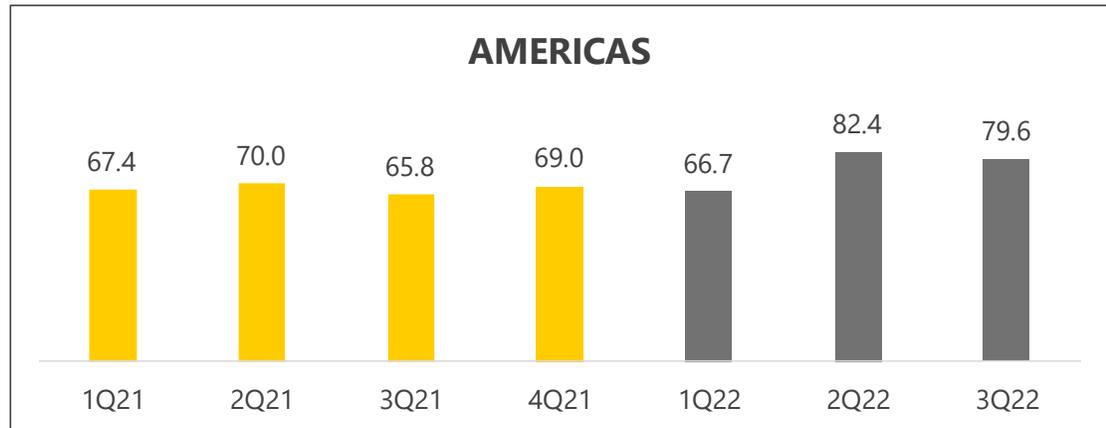


■ Energy ■ Infrastructure ■ Mining & Minerals

Quarterly Revenue Trends

By Geography

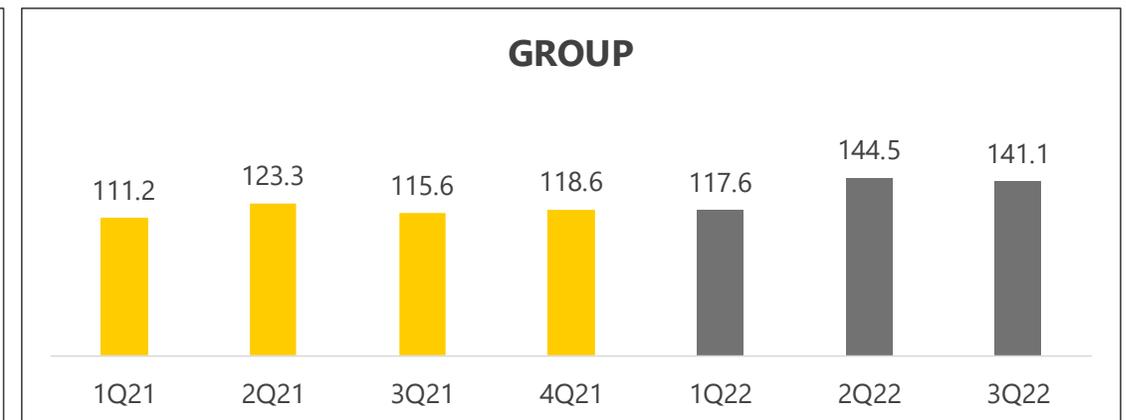
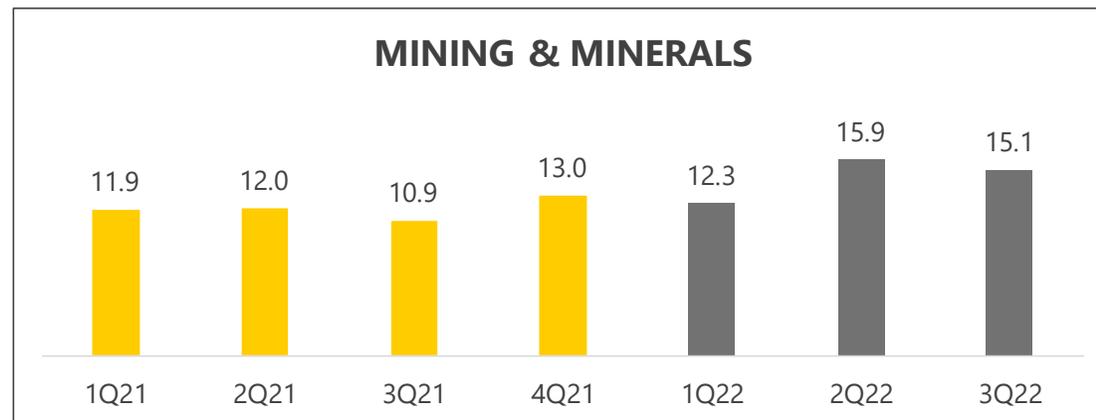
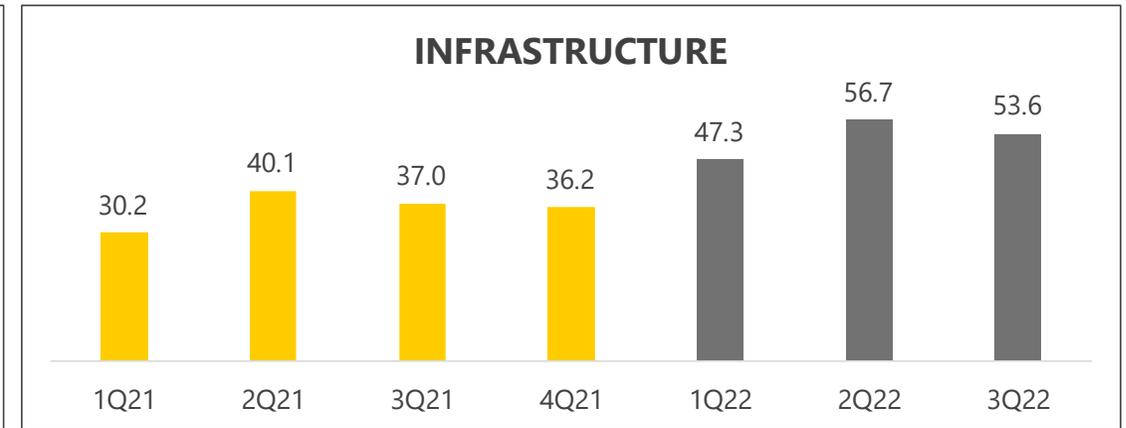
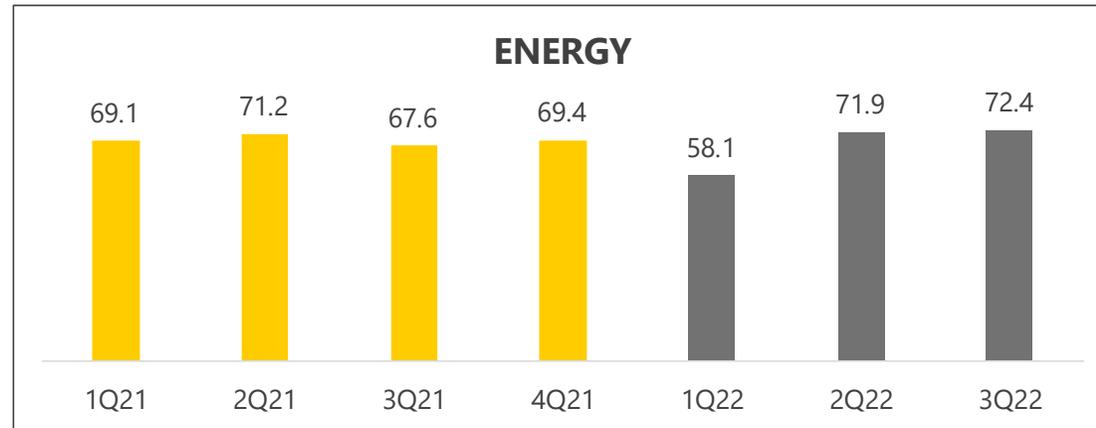
(\$ million)



Quarterly Revenue Trends

By Industry

(\$ million)

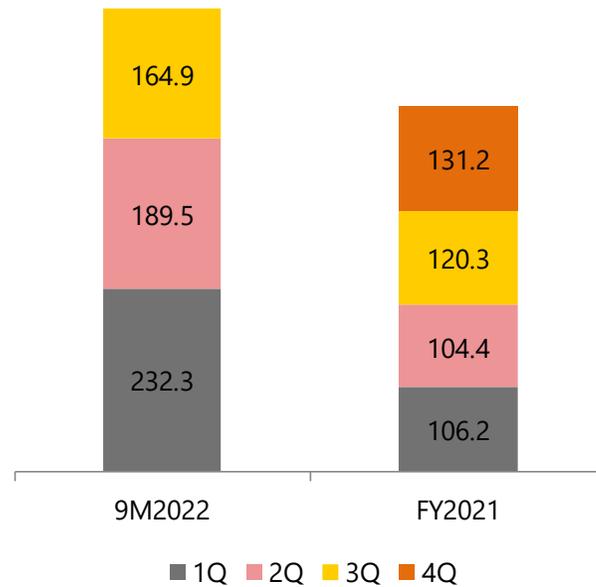


9M2022 Order Intake/Book By Geographical Segments

Order Intake from Continuing Operations

S\$586.6m

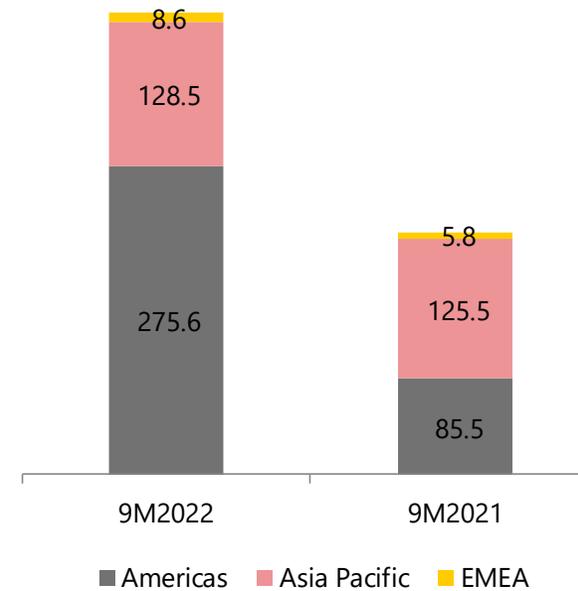
S\$462.1m



Order Book from Continuing Operations

S\$412.8m

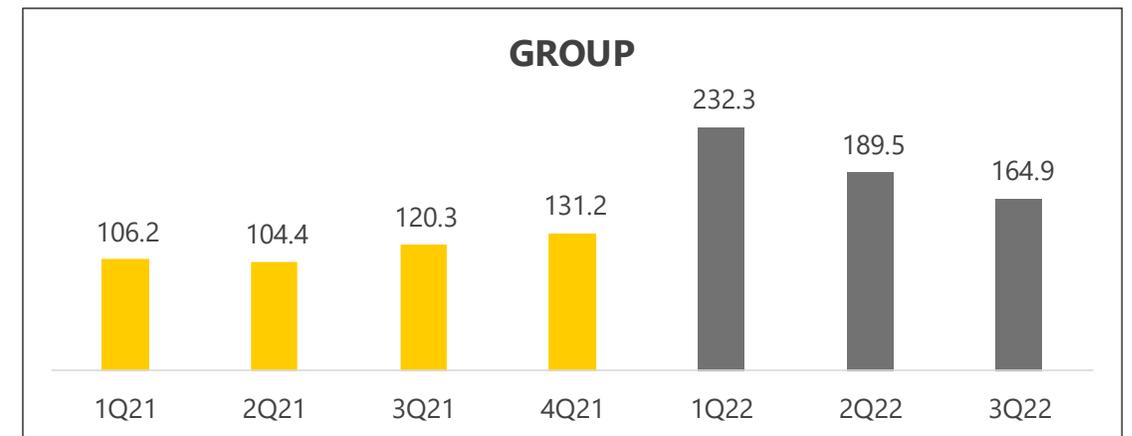
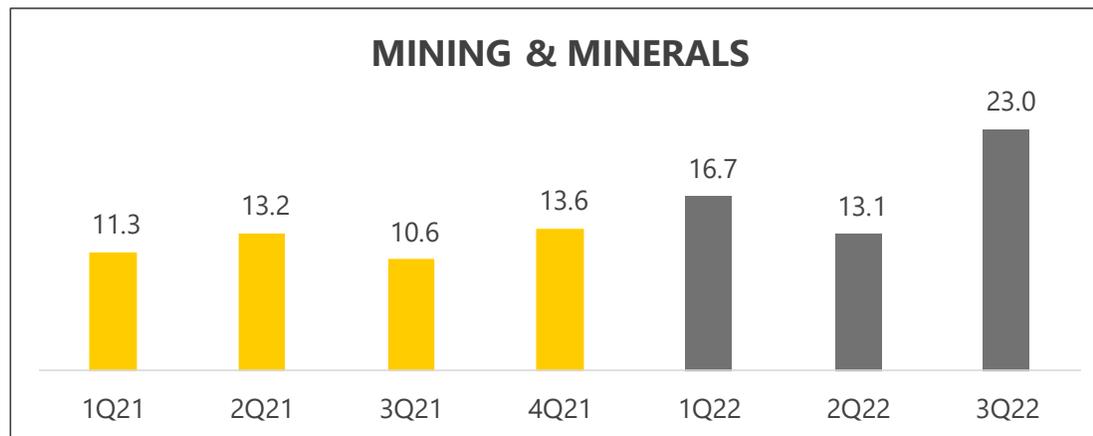
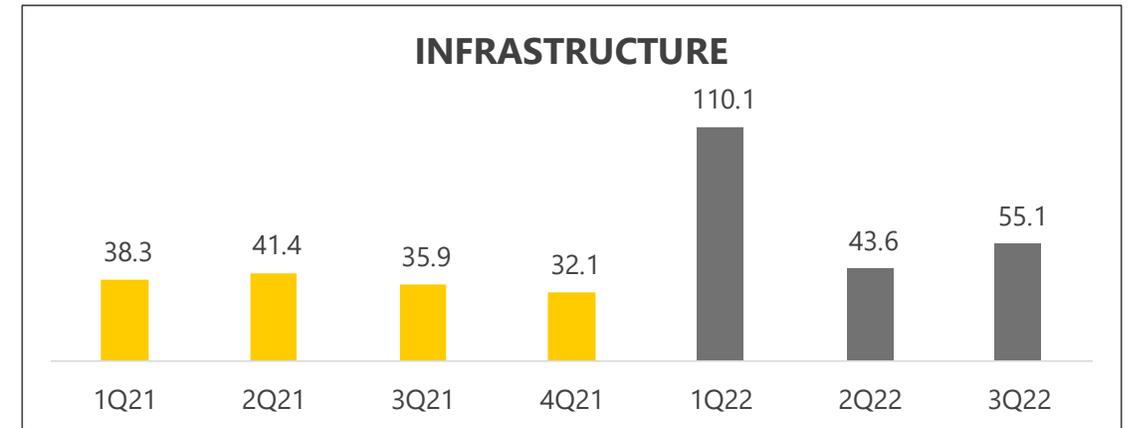
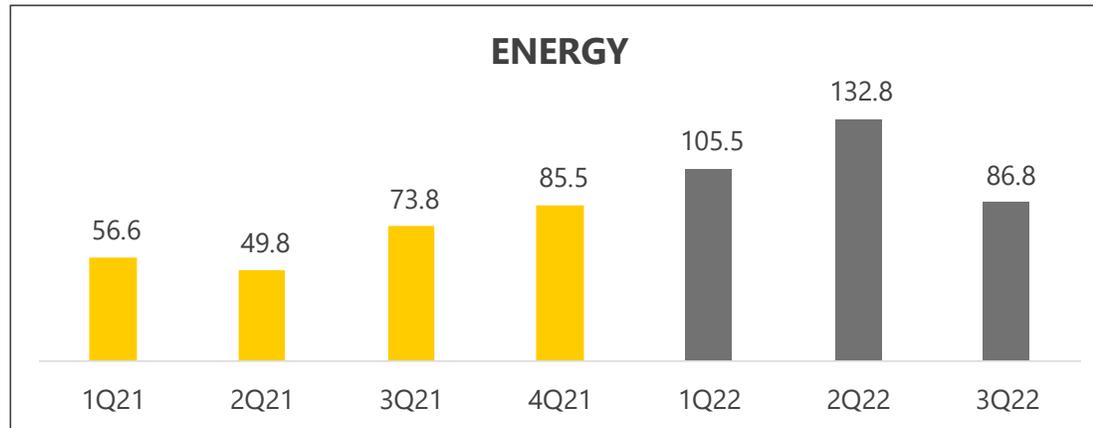
S\$216.8m



Quarterly Order Intake Trends

By Industry

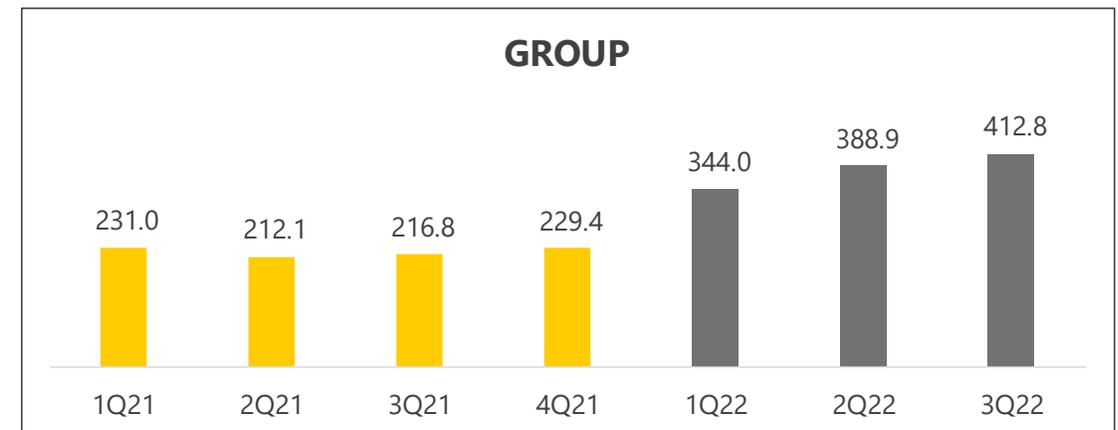
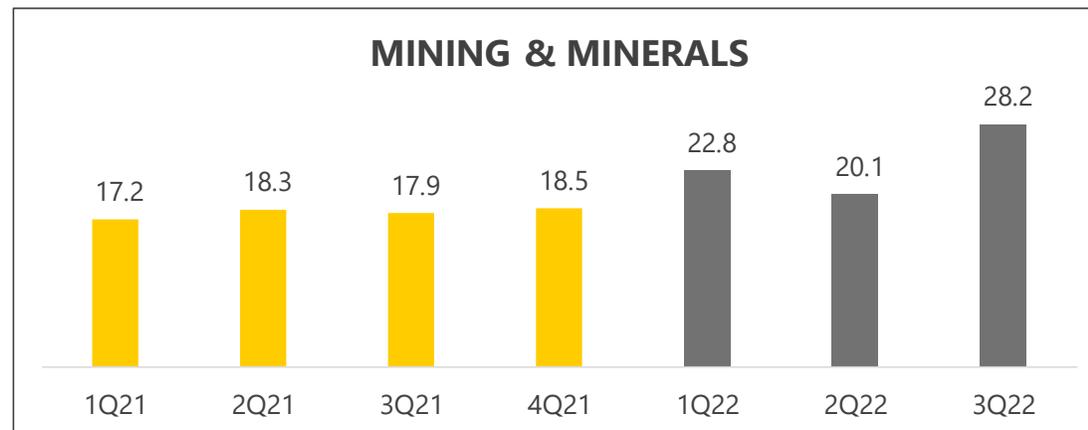
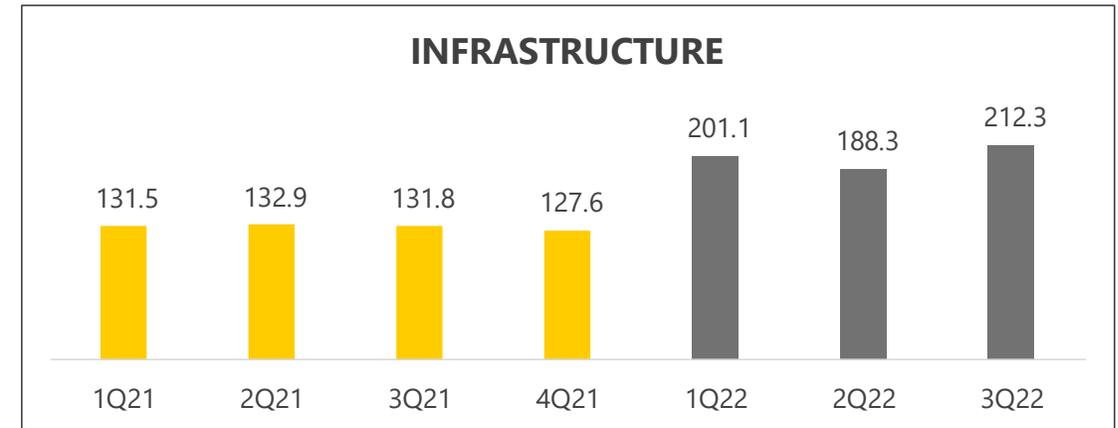
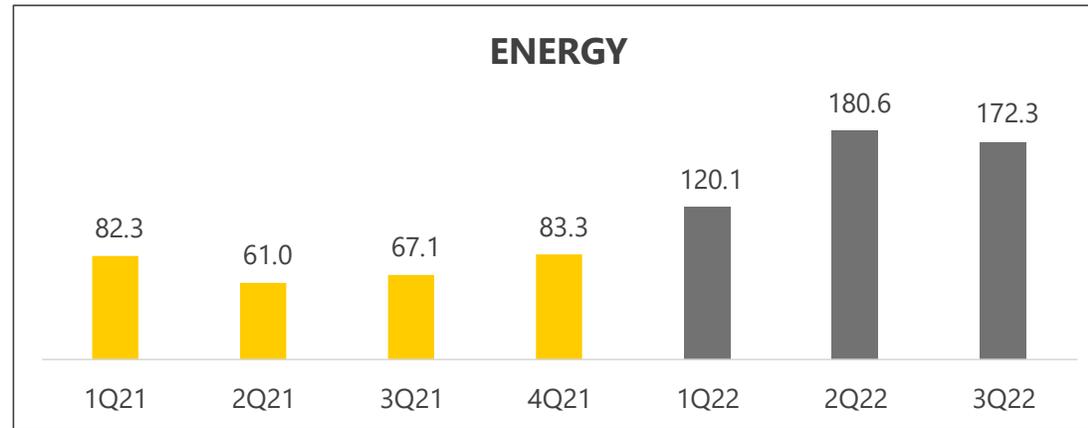
(\$ million)



Quarterly Order Book Trends

By Industry

(S\$ million)



Business Overview

- 3Q2022 – a quarter of mixed outcomes
 - Supply chain disruptions continue to affect our operations resulting in longer lead time to convert an order into revenue
 - Orders received for water utilities projects have an execution period of 1 to 4 years
 - Continue to build our infrastructure business through a combination of acquisitions and organically through sales, marketing, engineering support and capacity enhancement resulting increase in overheads

Key Strategies



Energy (Americas)

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



Infrastructure (Singapore)

- Singapore Government
- Focus on security, transportation related projects

Infrastructure (Australia/NZ)

- Energy Solutions
- Radio Business



Infrastructure (UK/Americas)

- Radio Business
- Diversify into data centres, water utilities, building automation and security

FY2022 Outlook



The Company recorded higher orders in its infrastructure sector in the first nine (9) months of 2022, driven by a steady stream of projects arising from requirements in digitalisation, communications and enhancements in physical and cyber security globally, and from data centres and water utilities in the Americas region. The infrastructure projects secured in the USA have execution periods of between one (1) to four (4) years, and thus the Company expects to see steady inflow in terms of contribution, while the execution of these recent contract wins will stretch over 2023 and beyond. There was also a steady pipeline of orders for radio communication network projects from mining customers in Australia, resulting in increased new orders in the Company's mining and minerals sector during this period.

The Company envisions this healthy momentum for its infrastructure sector to sustain for the next 12 months, due to the upcoming proposed new acquisitions in the communications segment, coupled with its ongoing efforts and investments in sales, marketing, engineering support and capacity enhancement, which will in turn lead to an increase in orders, revenue, overheads and profits.

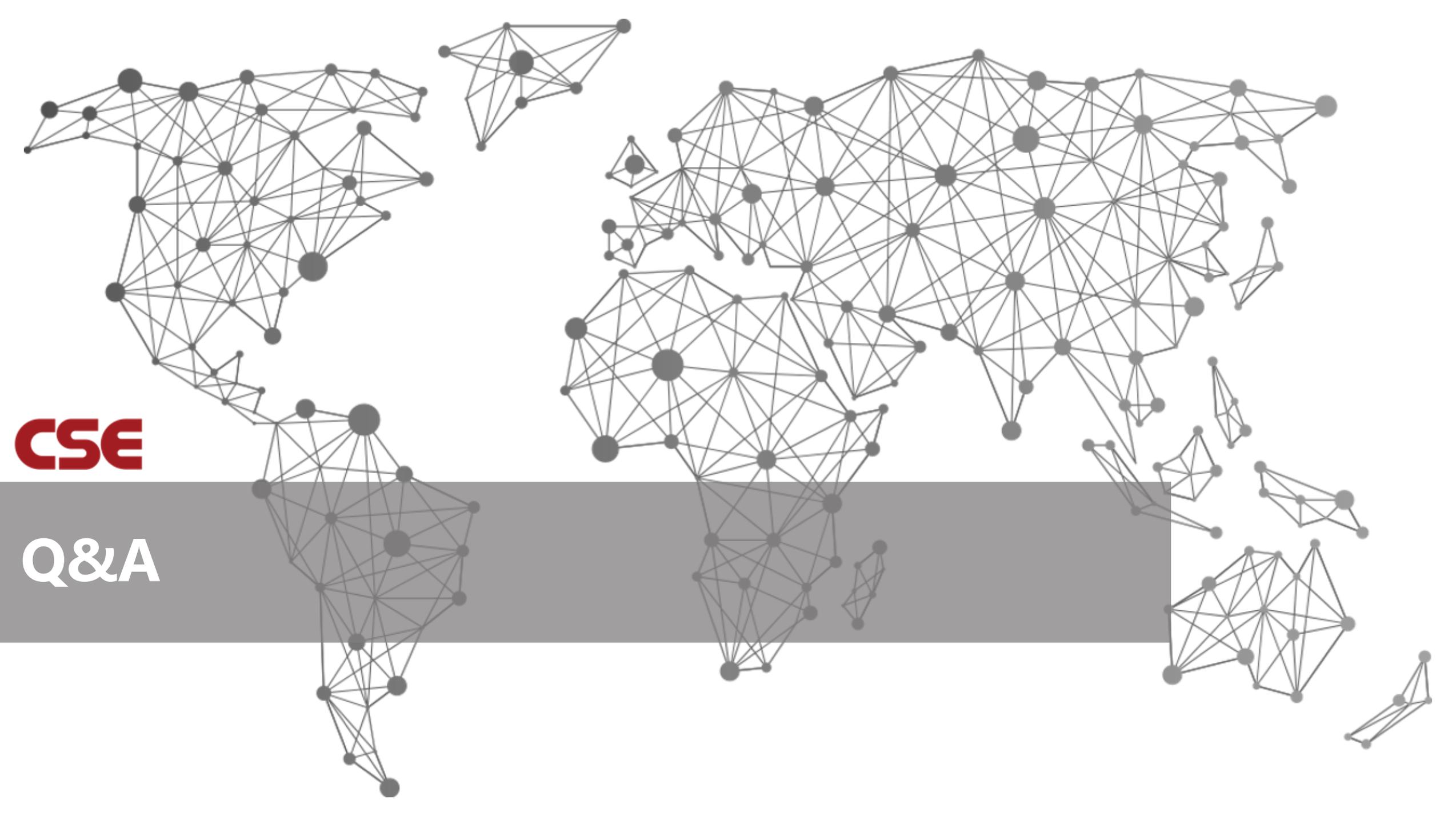
Meanwhile, customers in the energy sector remained focused on their capital spending discipline that led to fewer large greenfield projects in the first nine (9) months of 2022 and foreseeably in the next 12 months, and the Company expects this trend to continue to weigh on the financial performance in the Americas region. However, the Company has seen higher business flows in the energy sector and had secured several renewables projects in the first nine (9) months of 2022, which is also expected to continue in the next 12 months.

FY2022 Outlook (cont'd)



On 31 October 2022, the Group announced that new orders in 3Q2022 surged 37.1% year-on-year to S\$164.9 million, compared to S\$120.3 million in 3Q2021. The strong growth in orders was broad based across all industry sectors, and mainly attributable to higher orders secured in USA and Australia. In particular, there is an increase in demand for infrastructure work and projects comprising solar and wind energy within the renewables space. With these new orders, the Group closed 3Q2022 with an order book of S\$412.8 million and to date, the 9M2022 order intake of S\$586.6 million has far exceeded FY2021's.

However, the continued supply chain disruptions, which are expected to prolong project execution time frames, and inflationary pressures will have an impact on gross margins. The Group generated much higher numbers of project quotations in 3Q2022 and expects this to continue into the coming quarters. Whilst the increased quote activity will add to short-term costs, the upbeat momentum in the market signals healthy demand for the Group's services and strong potential to grow its orders.



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Q&A