

CSE Global Limited

9M2019 Results Briefing

Fullerton Hotel
7 November 2019



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

Appendix

1

Address by CEO



Corporate Profile

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

Geographical presence



- 16 countries, 42 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

9M2019 Business Overview

General Sentiments

9M2019 overall a good result, markets remains cautious

Positives

- Gross margins are stable at around 27%
- Improvement in net profit by 6.8%
- Positive operating cash flow of S\$19.8million
- Strong order intake of S\$348.8 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

- From our existing customer installed base, CSE anticipates a steady flow of orders in 4Q19.
- With a strong order book, we expect an improvement in the Group's financial performance for FY2019 over FY2018.

Cash Flow

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

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.

Dividend Policy

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

2

Financial Performance by CFO



9M2019 Financial Snapshot

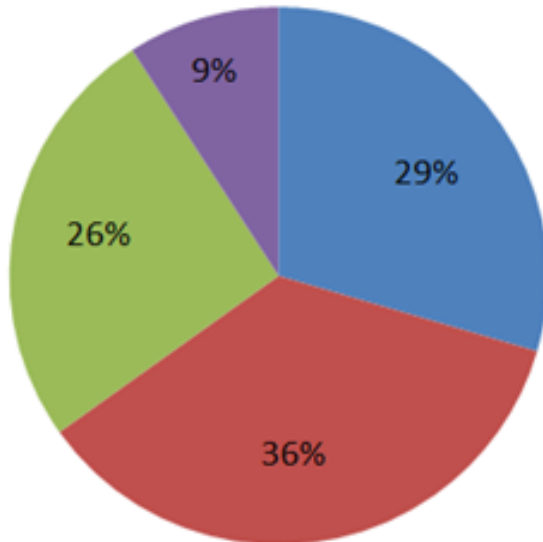
+7.7%	Revenue of S\$295.2 million
+0.1pp	Gross margins of 27.0%
+2.2%	EBIT of S\$21.1 million
+6.8%	Net profit of S\$15.6 million
+6.1%	EPS of 3.14 Singapore cents
+47.7%	Order Intake of S\$348.8 million
+0.2pp	Annualised ROE of 12.3%

Summary Financials

S\$'m	3Q2019	3Q2018	Change	9M2019	9M2018	Change
Revenue	111.5	91.4	21.9%	295.2	274.2	7.7%
Gross Profit	28.9	25.0	15.5%	79.7	73.7	8.1%
Operating expenses	(21.8)	(18.1)	20.5%	(59.5)	(54.5)	9.1%
Operating profit	7.1	7.0	2.3%	20.2	19.2	5.2%
EBIT	7.0	6.8	2.0%	21.1	20.7	2.2%
Net Profit	5.7	4.9	17.8%	15.6	14.6	6.8%
Gross margin (%)	25.9%	27.4%	-1.5pp	27.0%	26.9%	0.1pp
EBIT margin (%)	6.3%	7.5%	-1.2pp	7.2%	7.5%	-0.3pp
Net margin (%)	5.1%	5.3%	-0.2pp	5.3%	5.3%	-
Operating cash flow from operations	13.6	24.8	-45.0%	19.8	47.4	-58.1%
Net Cash/(debt)	(45.7)	34.4	N.M.	(45.7)	34.4	N.M.
Order intake -continuing operations	156.1	80.3	94.5%	348.8	236.1	47.7%
Order book - continuing operations	232.6	135.6	71.5%	232.6	135.6	71.5%
ROE (annualised)	13.4	12.1	1.3pp	12.3	12.1	0.2pp

9M2019 Revenue Breakdown By Industry Segments

9M2019



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

S\$ million	9M 2019	9M 2018	YoY%
Oil & Gas - Onshore	87.2	85.7	1.8%
Oil & Gas - Offshore	105.1	99.1	6.1%
Infrastructure	75.9	77.2	-1.7%
Mining & Mineral	27.0	12.2	121.3%
Total	295.2	274.2	7.7%

Australia communication revenue:

9M19 S\$45.4m

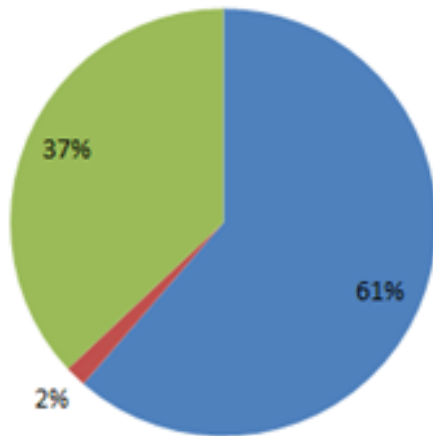
9M18 S\$32.9m

Infrastructure: Power, Water, Waste Treatment & Transportation

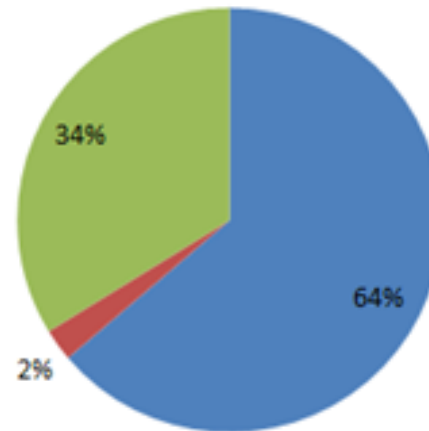
9M2019 Revenue Breakdown By Geographical Segments

S\$ million	9M 2019	9M 2018	YoY%
Americas	181.3	176.4	2.8%
EMEA	4.8	5.1	-4.8%
Asia Pacific	109.0	92.7	17.6%
Total	295.2	274.2	7.7%

9M2019

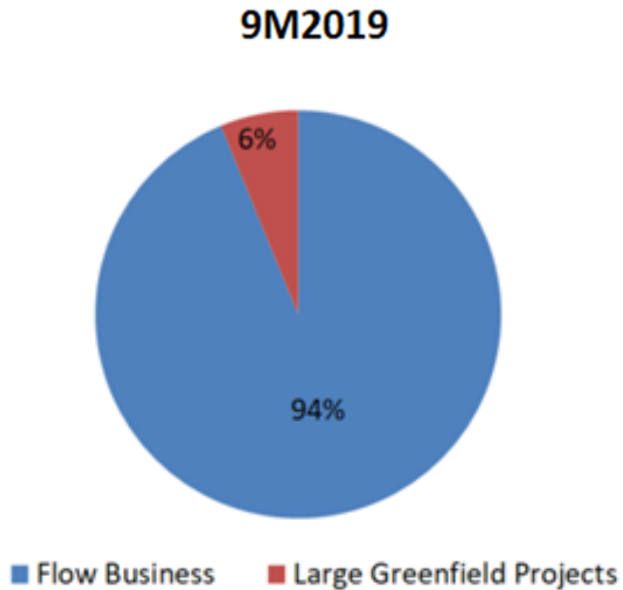


9M2018



- Americas
- EMEA
- Asia Pacific

9M2019 Revenue Breakdown By Projects

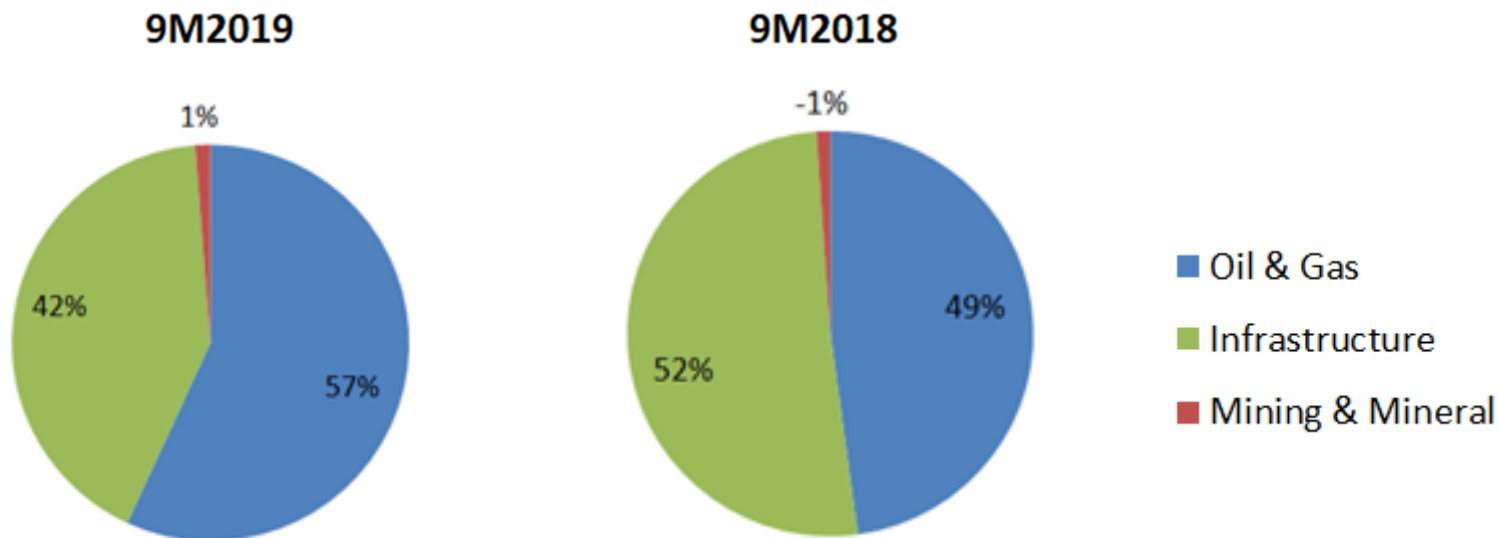


S\$ million	9M 2019	9M 2018	YoY%
Flow Business*	276.7	249.1	11.1%
Large Greenfield Projects	18.5	25.1	-26.3%
Total	295.2	274.2	7.7%
Flow Business %	94%	91%	

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

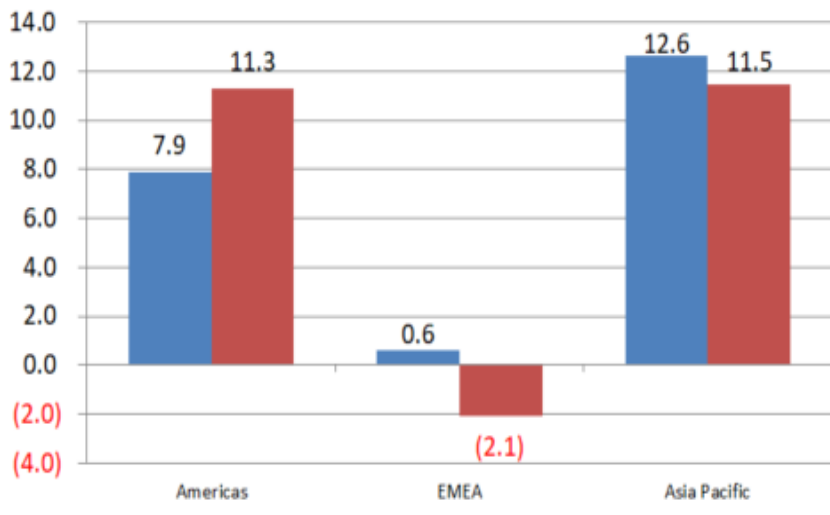
9M2019 EBIT Breakdown By Industry Segments

S\$ million	9M 2019	9M 2018	YoY%
Oil & Gas	12.1	10.2	18.6%
Infrastructure	8.8	10.7	-17.8%
Mining & Mineral	0.3	-0.2	N.M
Total	21.1	20.7	2.2%



Infrastructure: Power, Water, Waste Treatment & Transportation

9M2019 EBIT Breakdown By Geographical Segments

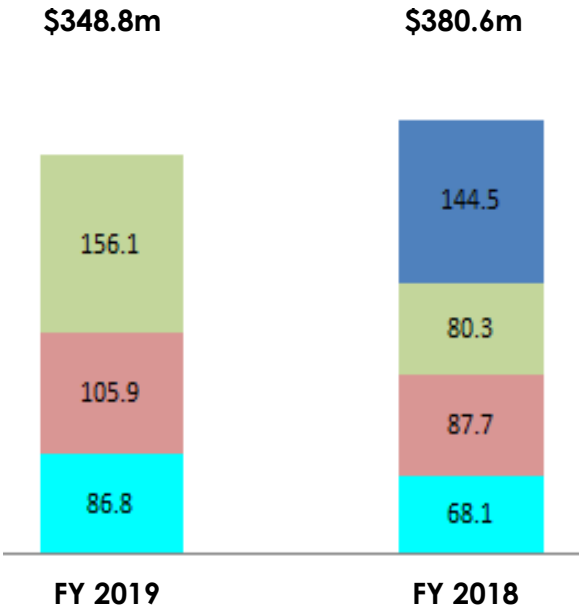


■ 9M2019
■ 9M2018

S\$ million	9M 2019	9M 2018	YoY%
Americas	7.9	11.3	-30.2%
EMEA	0.6	(2.1)	N.M
Asia Pacific	12.6	11.5	10.1%
Total	21.1	20.7	2.2%

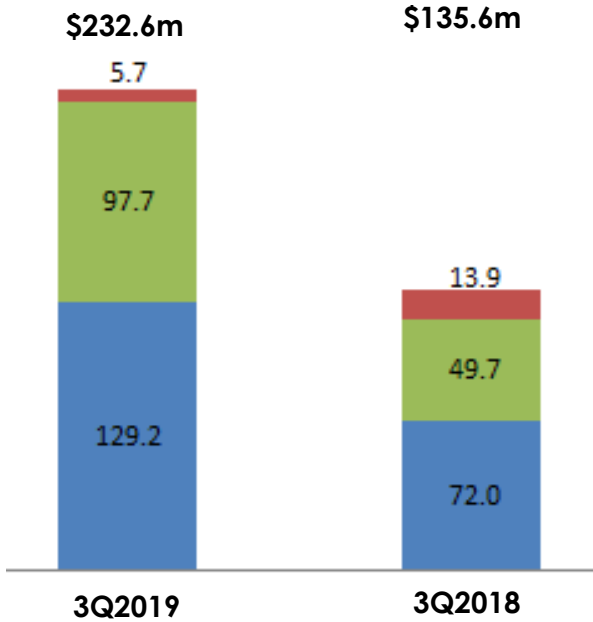
Q32019 Order Intake/Book By Geographical Segments

Order Intake from Continuing Operations



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

Order Book from Continuing Operations



- EMEA
- The Americas
- Asia Pacific

Order Intake By Industry – Quarterly Trends

S\$ million	3Q2019	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018
Oil & Gas	117.0	60.2	65.1	54.4	51.9	59.1
Infrastructure	25.1	31.9	17.1	86.0	25.2	24.2
Mining & Mineral	14.0	13.8	4.5	4.1	3.1	4.4
Total	156.1	105.9	86.8	144.5	80.3	87.7

Order Book By Industry Segments

S\$ million	3Q2019	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018
Oil & Gas	95.4	49.2	52.0	44.9	53.3	59.2
Infrastructure	126.6	131.1	126.5	132.1	79.7	82.9
Mining & Mineral	10.7	7.3	2.9	3.1	2.6	5.4
Total	232.6	187.6	181.4	180.2	135.6	147.6

Financial Position & Cash Flow

Cash inflow from operations

S\$13.6 million & S\$19.8 million in 3Q2019 and 9M2019 respectively

Net cash/(debt)

(\$\$45.7) million at 3Q2019 vs S\$8.6 million at 2Q2019

Equity attributable to owners of the Company

S\$170.5 million at 30 September 2019 vs S\$171.2 million at 31 December 2018

NAV per share

33.56 cents at 30 September 2019 vs 33.65 cents at 31 December 2018

Group Balance Sheet

S\$ million	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18
PPE	59.6	31.6	28.5	28.2	28.8
Right-to-use assets	14.0	12.9	13.4	-	-
Intangible Assets	60.0	34.9	29.1	26.0	26.6
Cash at Hand & Bank	52.2	43.6	65.2	74.1	56.1
Contract Assets (Net)	23.4	29.3	24.4	22.4	24.7
Inventories	22.2	19.9	17.3	16.5	17.5
Trade and Other Receivables	108.1	85.7	77.2	81.8	81.9
Trade Payables and Accruals	62.1	44.5	41.2	44.5	49.6
Loans and borrowings	97.9	34.9	30.4	36.1	21.7
Net Cash/(Debt)	(45.7)	8.6	34.8	37.9	34.4
Shareholders' Fund	170.5	168.2	172.1	171.2	164.2

Group Cash Flow Statement

S\$ million	3Q2019	3Q2018	9M2019	9M2018
As at beginning of the period	43.6	54.1	74.1	46.9
Net Operations	13.6	24.8	19.8	47.4
Interest and tax	(3.0)	0.3	(6.6)	(4.9)
Capital Expenditure (Net)	(3.9)	(3.0)	(10.8)	(4.9)
Payment for subsidiary/assets acquired	(58.2)	(0.2)	(73.2)	(1.2)
Bank Loans	62.6	(11.5)	61.7	(9.7)
Purchase of treasury shares	-	(1.9)	(2.1)	(3.3)
Proceeds from disposal of subsidiary	3.6	-	3.6	-
Dividends	(6.3)	(6.4)	(14.0)	(14.2)
Net effect of FX on cash	0.3	(0.2)	(0.3)	0.1
As at end of period	52.2	56.1	52.2	56.1

3

Appendices



Revenue By Geographical Region – Quarterly Trends

S\$ million	3Q2019	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018
Americas	67.8	59.8	53.8	62.3	55.8	58.6
EMEA	1.6	1.6	1.6	1.5	1.7	2.3
Asia Pacific	42.1	37.8	29.2	35.5	34.0	30.4
Total	111.5	99.2	84.5	99.3	91.4	91.3

Revenue By Industry – Quarterly Trends

S\$ million	3Q2019	2Q2019	1Q2019	4Q2018	3Q2018	2Q2018
Oil & Gas	71.3	63.9	57.1	63.0	58.0	61.6
Infrastructure	28.9	24.3	22.7	32.8	27.6	26.0
Mining & Mineral	11.2	11.1	4.7	3.5	5.9	3.7
Total	111.5	99.2	84.5	99.3	91.4	91.3

FX Movement

	3Q2019	3Q2018	Change (%)	9M2019	9M2018	Change (%)
USD/SGD	1.3711	1.3656	0.40%	1.3639	1.3384	1.91%
GBP/SGD	1.6927	1.7862	-5.23%	1.7386	1.8136	-4.14%
AUD/SGD	0.9427	1.0031	-6.02%	0.9566	1.0179	-6.03%

Constant Currency Figures

S\$ million	3Q2019	3Q2018	Change (%)	3Q2019 Constant Currency	Change (%)
Revenue	111.5	92.4	20.7%	113.1	22.4%
PATMI	5.7	5.0	13.5%	5.8	15.2%

S\$ million	9M2019	9M2018	Change (%)	9M2019 Constant Currency	Change (%)
Revenue	296.8	276.7	7.3%	298.2	7.8%
PATMI	15.9	15.0	5.8%	16.0	6.4%

Human Resources Allocation





CSE *Global*

THANK YOU

Questions & Answers