



**CSE Global Limited**  
**Annual General Meeting**  
**18 April 2019**

# Presentation Agenda

- FY 2018 Business Overview
- FY 2018 Financial Overview
- Questions and Answers

# FY 2018 Business Overview

- 2018 overall a good result, markets remains cautious

## Positives

- Gross margins are stable at around 27.9%.
- Strong improvement in net profitability
- Strong positive operation cash flow +S\$56.6m
- Stable order intake of S\$384m
- Managed to win 1 large greenfield infrastructure project in December

## Negatives

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

## 2018 - Building on 2017

- Oil & gas
  - pushing west for Permian and strengthening Eagleford
  - no more local staff in Middle East
- Infrastructure
  - strengthening telecommunications biz in New Zealand through an acquisition
  - engaging more with Singapore Govt
- Mining & Mineral
  - The wait continue for large projects

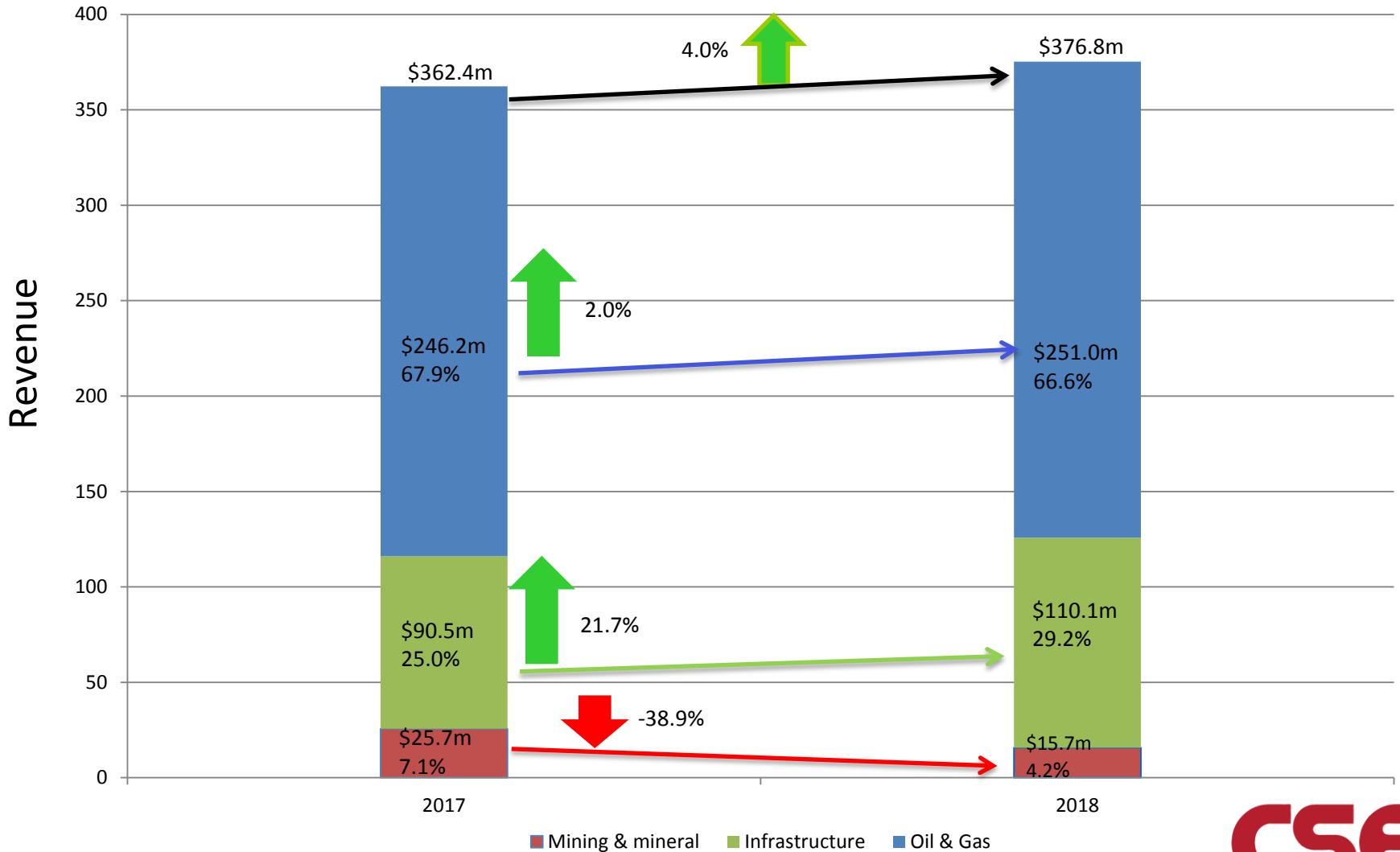
## Revenue

<u>S\$m</u>	FY2015	FY2018
Oil & Gas	345.0 (84%)	251.0 (67%)
Infrastructure	53.9 (13%)	110.1 (29%)
Mineral & Mining	13.1 (3%)	15.7 (4%)
Group	412.0	376.8

## EBIT

<u>S\$m</u>	FY2015	FY2018
Oil & Gas	30.6 (76%)	12.0 (45%)
Infrastructure	8.2 (20%)	14.6 (55%)
Mineral & Mining	1.6 (4%)	0.1 (0%)
Group	40.5	26.6

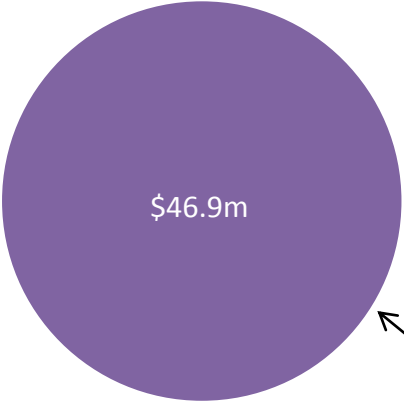
# Segmentation of Revenue by Sector



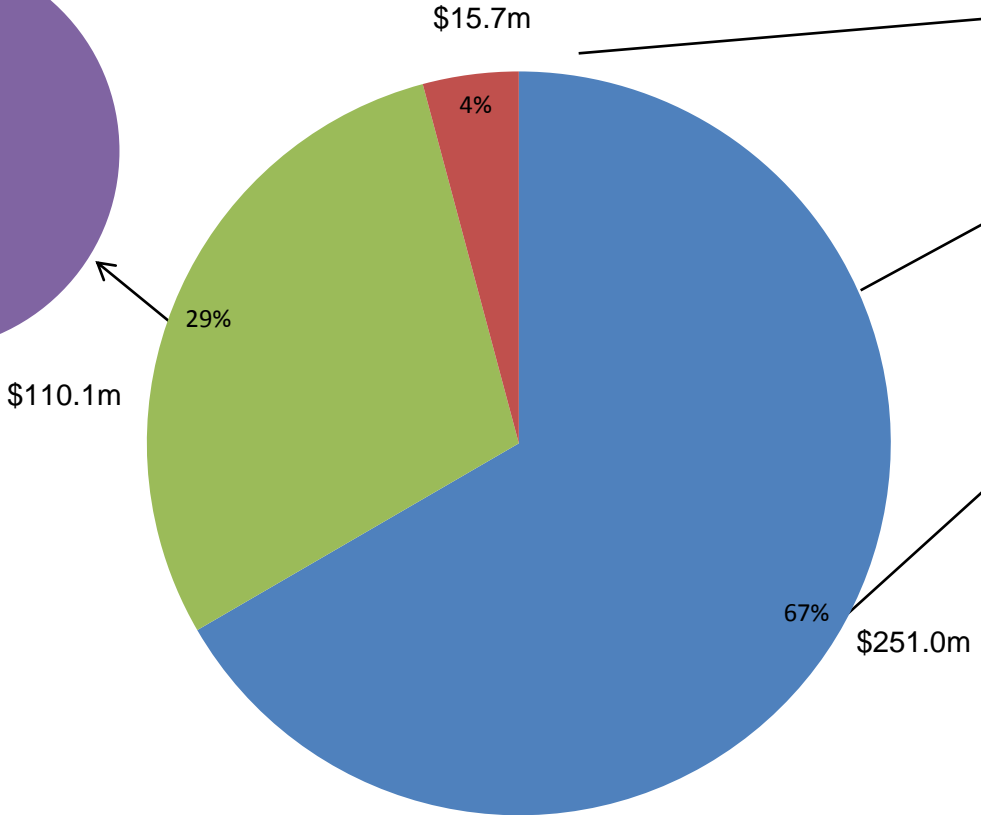


# Further Information on FY2018 Revenue

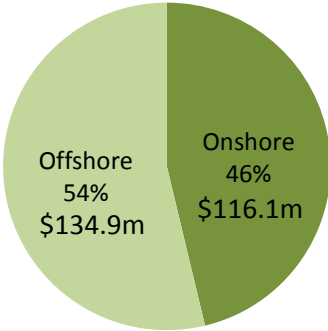
Communication Australia



**FY 2018**  
**\$376.8m**



**FY 2018**



■ Onshore ■ Offshore

■ Oil & Gas ■ Infrastructure ■ Mining & Mineral

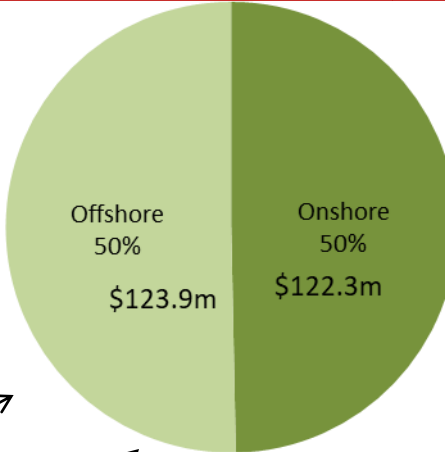
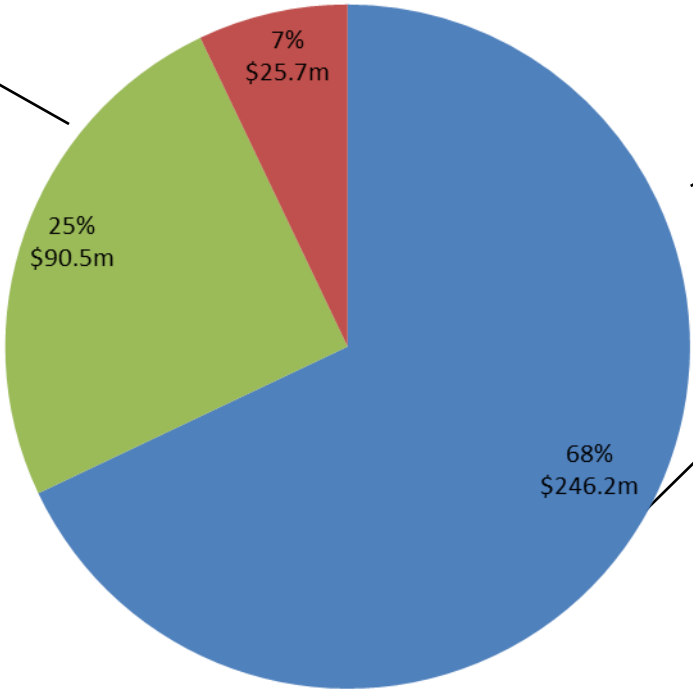


# Further Information on FY2017 Revenue

Communication Australia



**FY 2017**  
**\$362.4m**



■ Oil & Gas   ■ Infrastructure   ■ Mining & Mineral



# Revenue - Flow /Large Greenfield

(S\$m)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Flow business from brownfield and small greenfield	65.4	70.6	77.6	93.0	306.6	82.9	84.2	84.5	96.5	348.1
Large greenfield projects:	9.1	14.9	8.0	23.7	55.7	9.3	7.9	7.9	3.6	28.7
Total	74.5	85.5	85.6	116.7	362.3	92.2	92.1	92.4	100.1	376.8

Flow share %	88%	83%	91%	80%	85%	90%	91%	91%	96%	92%
Large Greenfield project share %	12%	17%	9%	20%	15%	10%	9%	9%	4%	8%

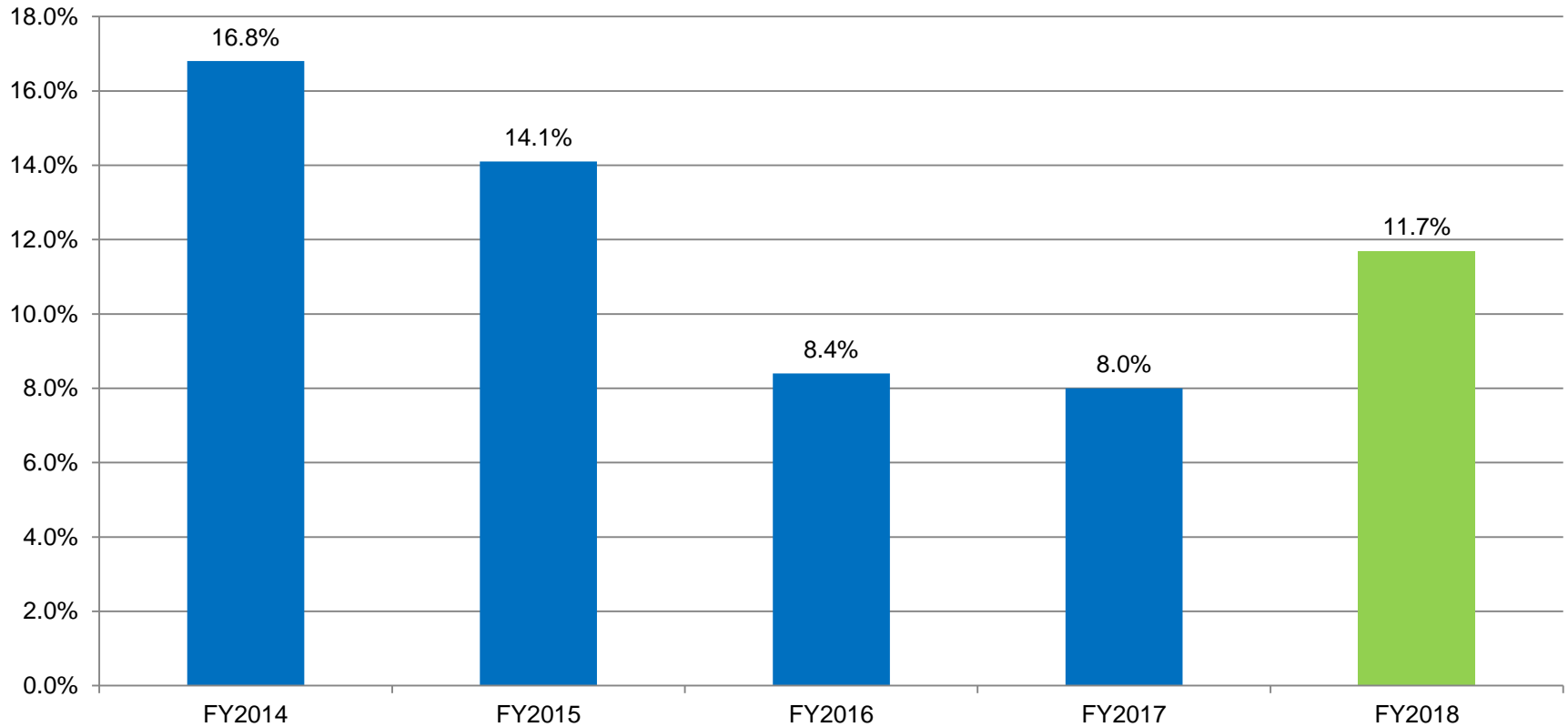
# Order Intake by Industry

S\$'M	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Oil & Gas	55.1	52.6	60.5	49.5	59.1	54.8	57.8	86.4
Infrastructure	86.0	25.2	24.2	16.3	21.2	27.6	27.0	29.0
Mining	4.1	3.1	4.4	3.2	6.5	4.0	6.0	2.4
<b>Total</b>	145.2	80.9	89.1	69.0	86.9	86.4	90.7	117.9

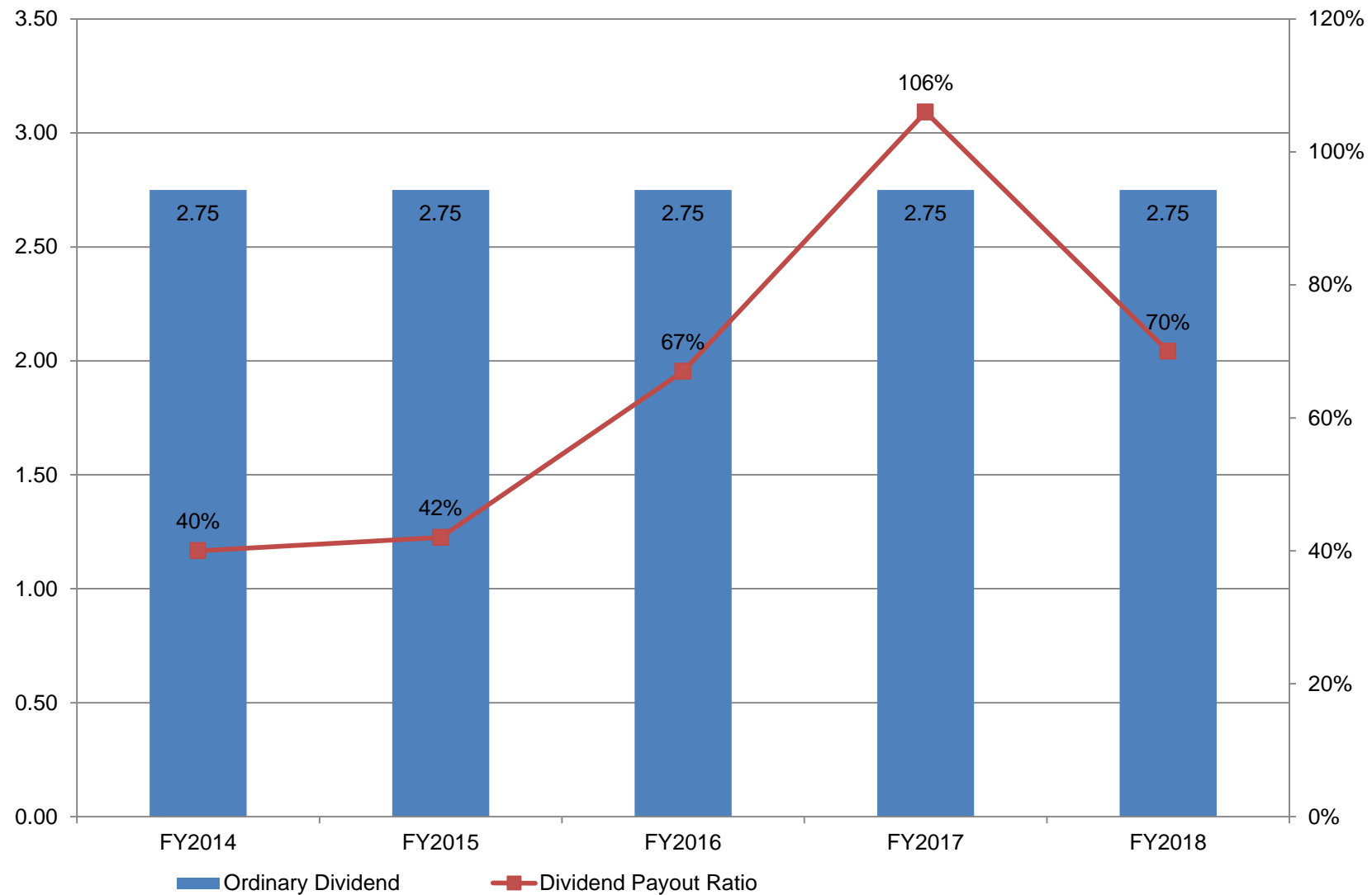
# Backlog by Industry

S\$'M	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Oil & Gas	45.8	54.2	60.4	60.3	78.2	101.0	106.9	103.1
Infrastructure	132.1	79.7	82.9	83.5	92.3	96.6	92.4	89.2
Mining	3.1	2.6	5.4	4.8	4.4	10.0	8.7	11.9
<b>Total</b>	<b>181.0</b>	<b>136.5</b>	<b>148.8</b>	<b>148.6</b>	<b>175.0</b>	<b>207.6</b>	<b>207.9</b>	<b>204.2</b>

## ROE



# Dividend



Where can we do more:

- Oil & gas (Americas)
  - Small greenfield projects/ brownfield projects in Gulf of Mexico
  - Shale
  
- Infrastructure (Singapore)
  - Singapore Government
  
- Infrastructure (Australia)
  - Energy solutions
  - Radio business










## Outlook Statement:

- We anticipate an increase in activities in the markets we serve, together with a more stable pricing environment. Consequently, we expect improvement in our financial performance in 2019.
- In view of the market uncertainties, we believe capital discipline is of utmost importance. Nevertheless, we are confident of generating positive operating cash flow for 2019. 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.

- Willingly to ride through this difficult period with the shareholders, intends to maintain dividend at 2.75 cents per share per year
- Historically, paid 40% of operating profit after tax for dividends as net cash inflow over 3 to 5 years period is 70% of operating profit after tax

# FY 2018 Financial Overview

# FY2018 Financial Overview

Revenue	 Grew by 4.0% to S\$376.8m
Gross Margin	 Increased to 27.9% from 26.0% in FY17.
EBIT	 Rose by 35.7% to S\$26.6m compared to S\$19.6m in FY17
Net Profit	 Jumped by 50.8% to S\$20.1m from S\$13.3m in FY17
EPS (basic)	 3.92 cents per share compared to (8.75) cents per share in FY17
Order intake	 0.6% higher in new orders of S\$384.2m
ROE	 11.7% ROE achieved

# FY2018 Financial Overview

## Financial Position & Cashflow

- Cash inflow from operations of S\$9.2m in 4Q18 and S\$56.6m in FY18, mainly due to better working capital management of projects.
- Net Cash of S\$37.9m at 4Q18 vs S\$15.5m at 4Q17.
- Equity attributable to owners of the Company were S\$171.2m at 31 December 2018 vs S\$174.0m at 31 Dec 2017
- NAV per share at 31 December 2018 was at 33.65 cents vs 33.71 cents at 31 Dec 2017

# Summary Financials

## FY2018 vs 2017

S\$'m	FY 2018	FY 2017	Change
Revenue	376.8	362.4	4.0%
Gross Profit	105.2	94.1	11.7%
Operating Profit	25.1	16.3*	54.4%
EBIT	26.6	19.6*	35.7%
Net Profit	20.1	13.3*	50.8%
Net Profit, after EI in 2017	20.1	-45.1	N.M
Gross margin (%)	27.9%	26.0%	+190 bps
EBIT margin (%)	7.1%	5.4%	+170 bps
Net margin(%)	5.3%	3.7%	+160 bps
Operating cash flow from operations	56.6	-1.6	N.M
Net Cash/(loan)	37.9	15.5	144.7%
Order intake	384.2	381.9	0.6%
Order book/backlog	181.0	175.0	3.5%
ROE (annualised) (note: 2017 figures are normalised)	11.7	8.0	+370 bps

\* Before exceptional items (EI) incurred in 2017



# FY2018 FX Movement

	<b>FY 2018</b>	<b>FY 2017</b>	<b>Variance (%)</b>
<b>USD/SGD:</b>	1.3470	1.3856	-2.78%
<b>GBP/SGD:</b>	1.8032	1.7811	1.24%
<b>AUD/SGD:</b>	1.0111	1.0584	-4.47%

# FY2018 Constant Currency

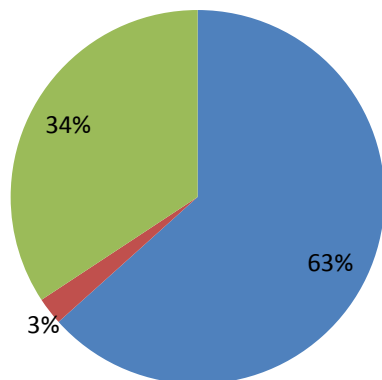
S\$M	FY 2018	FY 2017	Variance (%)	FY 2018 Constant Currency	Variance (%)
<b>Revenue:</b>	376.8	362.4	4.0%	388.5	7.2%
<b>PATNCI:</b>	20.1	13.3	50.8%	20.6	54.5%



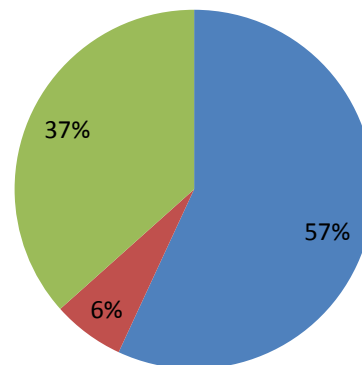
# Revenue by Geographical Region - FY2018

S\$m	FY 2018	FY 2017	Var %
Americas	238.7	206.2	15.8%
EMEA	9.0	23.5	-61.9%
Asia Pacific	129.1	132.6	-2.7%
Total	376.8	362.4	4.0%

**FY 2018**



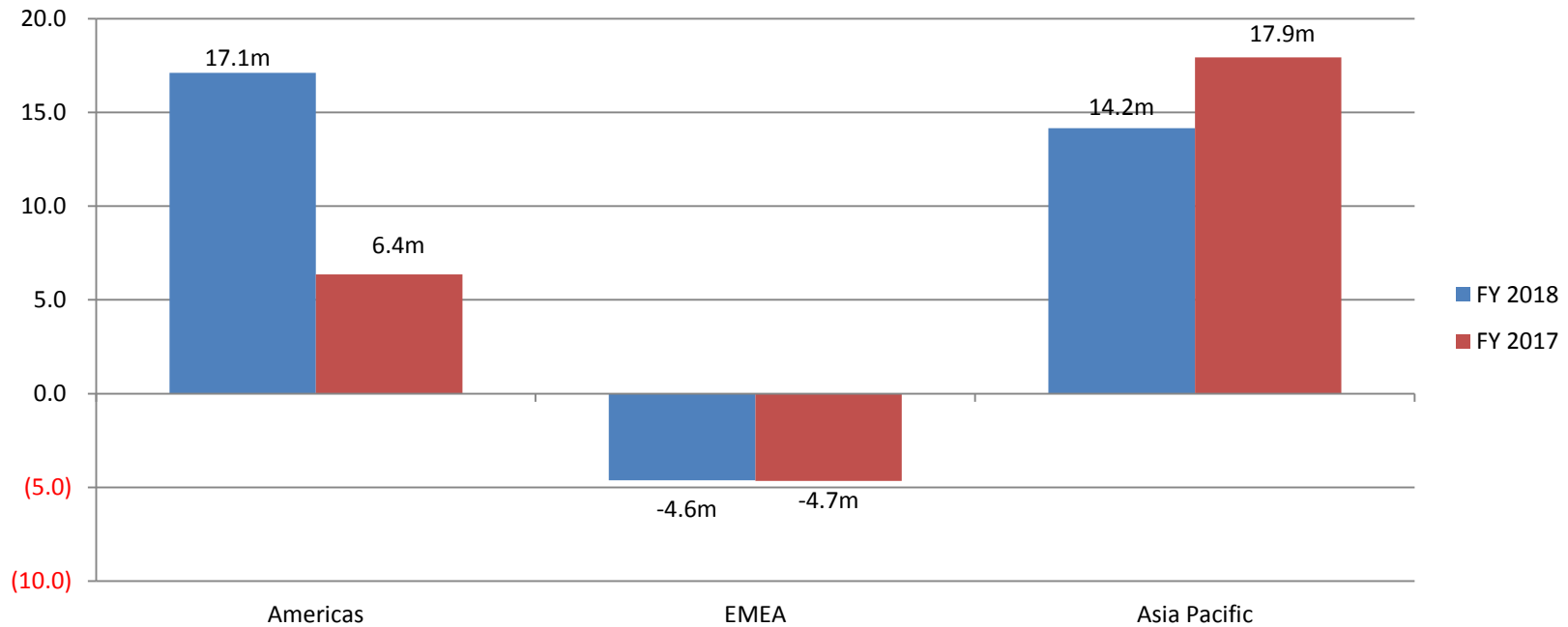
**FY 2017**



■ Americas  
■ EMEA  
■ Asia Pacific

# EBIT by Geographical Region - FY2018

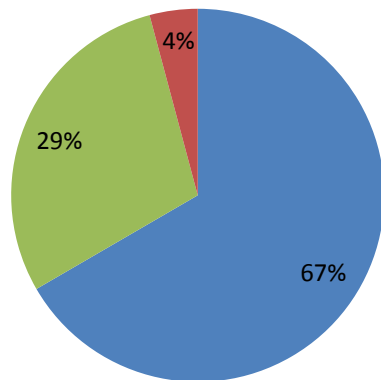
S\$\$m	FY 2018	FY 2017	Var %
Americas	17.1	6.4	168.9%
EMEA	(4.6)	(4.7)	0.8%
Asia Pacific	14.2	17.9	-21.1%
Total	26.6	19.6	35.7%



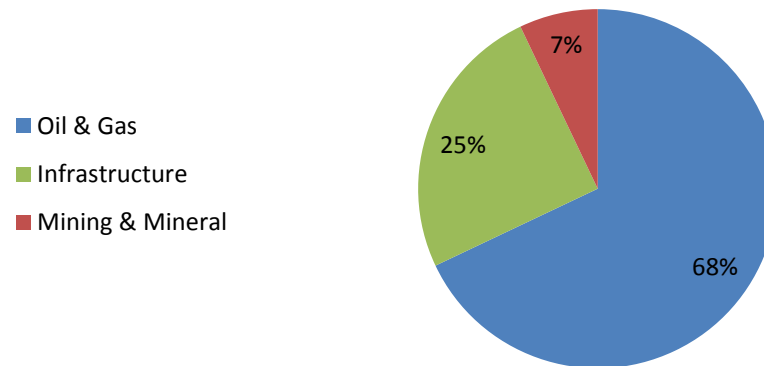
# Revenue by Industry - FY2018

S\$m	FY 2018	FY 2017	Var %
Oil & Gas	251.0	246.2	2.0%
Infrastructure	110.1	90.5	21.7%
Mining & Mineral	15.7	25.7	-38.9%
Total	376.8	362.4	4.0%

**FY 2018**



**FY 2017**

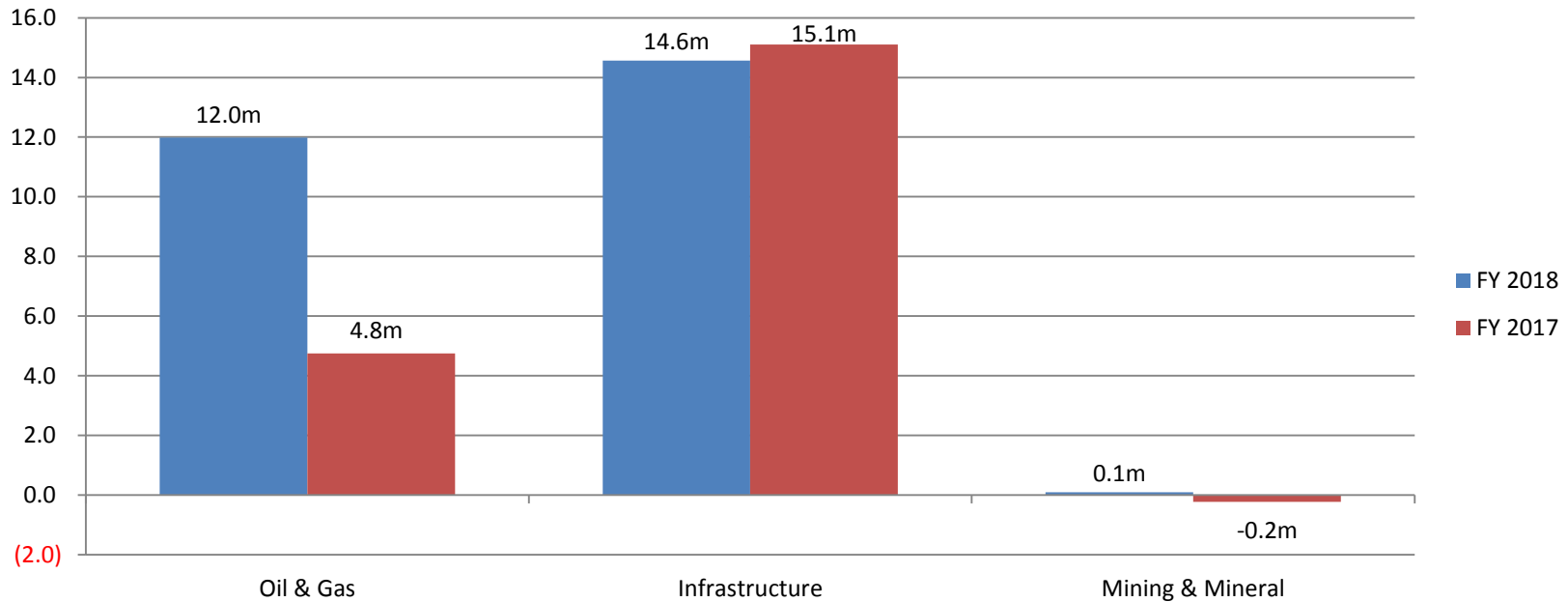


*Infrastructure: Power, Water, Waste Treatment & Transportation*



# EBIT by Industry - FY2018

S\$m	FY 2018	FY 2017	Var %
<b>Oil &amp; Gas</b>	12.0	4.8	152.3%
<b>Infrastructure</b>	14.6	15.1	-3.7%
<b>Mining &amp; Mineral</b>	0.1	(0.2)	N.M.
<b>Total</b>	26.6	19.6	35.7%



*Infrastructure: Power, Water, Waste Treatment & Transportation*



# Revenue by Geographical Region - Qtrly Trends

<b>S\$m</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>	<b>Q2 2017</b>	<b>Q1 2017</b>
<b>Americas</b>	62.3	55.8	58.6	62.1	74.2	53.9	40.9	37.2
<b>EMEA</b>	2.1	2.5	2.9	1.4	4.8	1.6	8.3	8.8
<b>Asia Pacific</b>	35.7	34.1	30.7	28.7	37.8	30.1	36.3	28.5
<b>Total</b>	100.1	92.4	92.1	92.2	116.7	85.6	85.5	74.5

# Revenue by Industry - Qtrly Trends

<b>S\$m</b>	<b>Q4 2018</b>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>	<b>Q2 2017</b>	<b>Q1 2017</b>
<b>Oil &amp; Gas</b>	63.8	58.9	62.5	65.9	80.1	59.4	53.2	53.5
<b>Infrastructure</b>	32.8	27.6	26.0	23.7	24.7	23.4	23.3	19.1
<b>Mining &amp; Mineral</b>	3.5	5.9	3.7	2.6	11.9	2.7	9.1	2.0
<b>Total</b>	100.1	92.4	92.1	92.2	116.7	85.6	85.5	74.5

# Group Balance Sheet

<b>S\$M</b>	<b>31-Dec-18</b>	<b>31-Dec-17</b>
<b>Cash at Hand &amp; Bank</b>	74.1	46.9
<b>Quoted Investments</b>	1.3	1.3
<b>Contract Assets (Net)</b>	22.4	48.3
<b>Inventories</b>	16.5	14.6
<b>Trade Receivables</b>	64.9	79.2
<b>Other Receivables</b>	17.0	17.1
<b>Trade Payables and Accruals</b>	44.5	55.4
<b>Net Current Assets</b>	114.5	111.9
<b>Loans and borrowings</b>	36.1	31.4
<b>Net Cash/(loan)</b>	37.9	15.5
<b>Shareholders' Fund</b>	171.2	174.0

# Group Cash Flow Statement

<b>S\$m</b>	<b>FY 2018</b>	<b>FY 2017</b>
<b>As at beginning of the period</b>	46.9	90.8
<b>Net Operations</b>	56.6	(1.6)
<b>Interest income/(expense) and tax expenses</b>	(9.1)	(4.8)
<b>One-off settlement costs</b>	-	(16.6)
<b>Capital Expenditure (Net)</b>	(6.2)	(7.9)
<b>Quoted investment</b>	-	6.0
<b>Net additional investment in Subsidiaries &amp; Associates</b>	(1.2)	(8.5)
<b>Bank Loans</b>	4.7	10.4
<b>Dividends</b>	(14.2)	(14.2)
<b>Treasury shares</b>	(3.3)	-
<b>Net effect of FX on cash</b>	(0.1)	(6.6)
<b>As at end of period</b>	74.1	46.9

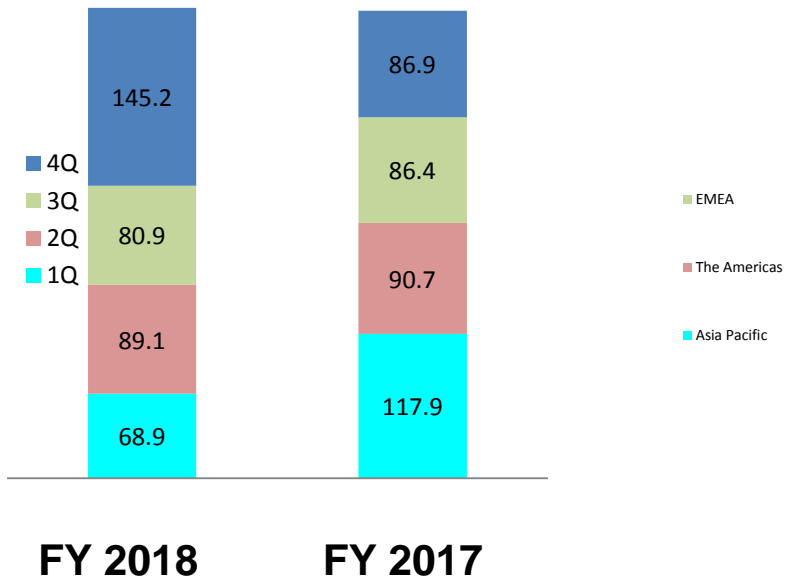


# FY 2018 Orders

## New orders

\$384.2m

\$381.9m

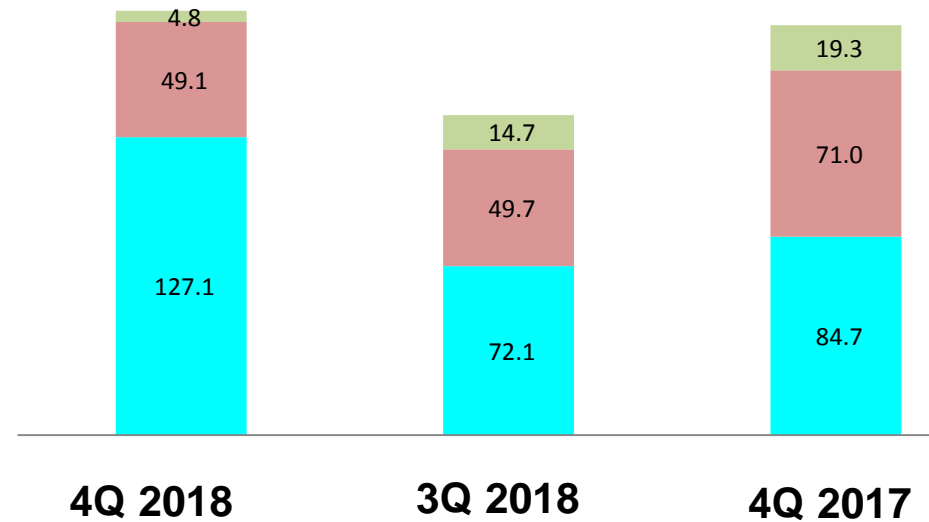


## Outstanding orders

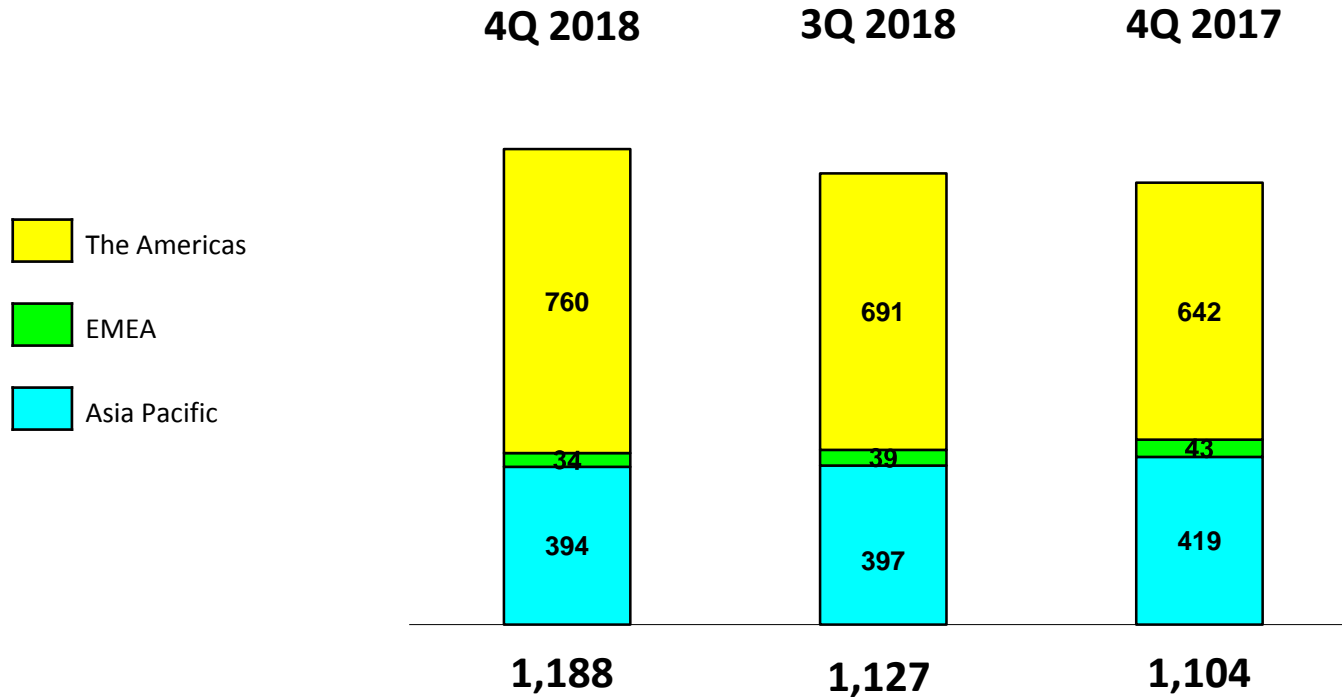
\$181.0m

\$136.5m

\$175.0m



# Human Resource



Thank You

Questions & Answers