



4Q/FY2017 Results Briefing

CSE Global Limited

Fullerton Hotel
26 February 2018

1. Address by CEO
2. Financial Performance by CFO
3. Q & A

Address by CEO

- 2017 was a challenging year

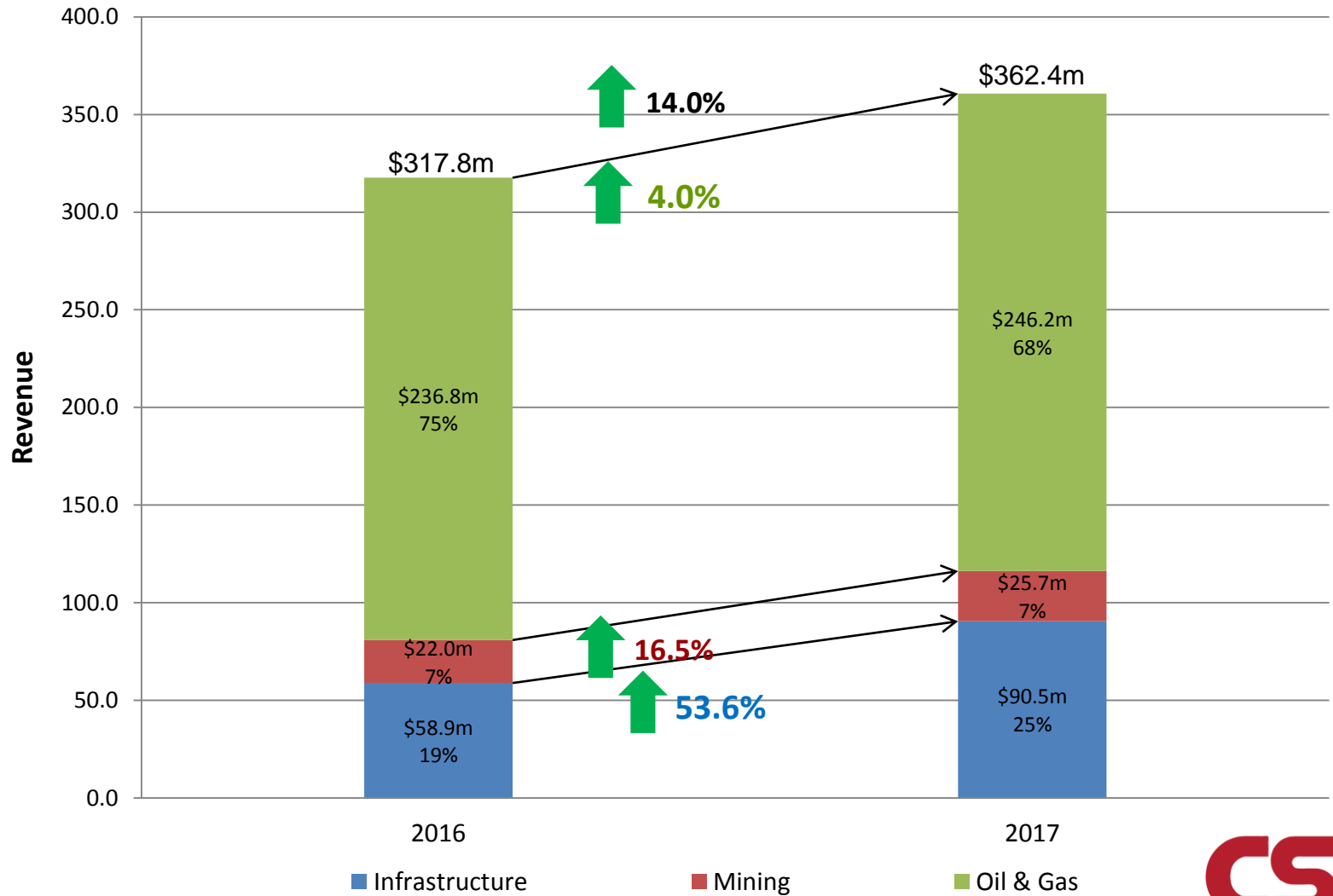
Negatives

- Lower gross margins @ 26%, new norm
- Negative operating cash flow, to fund project

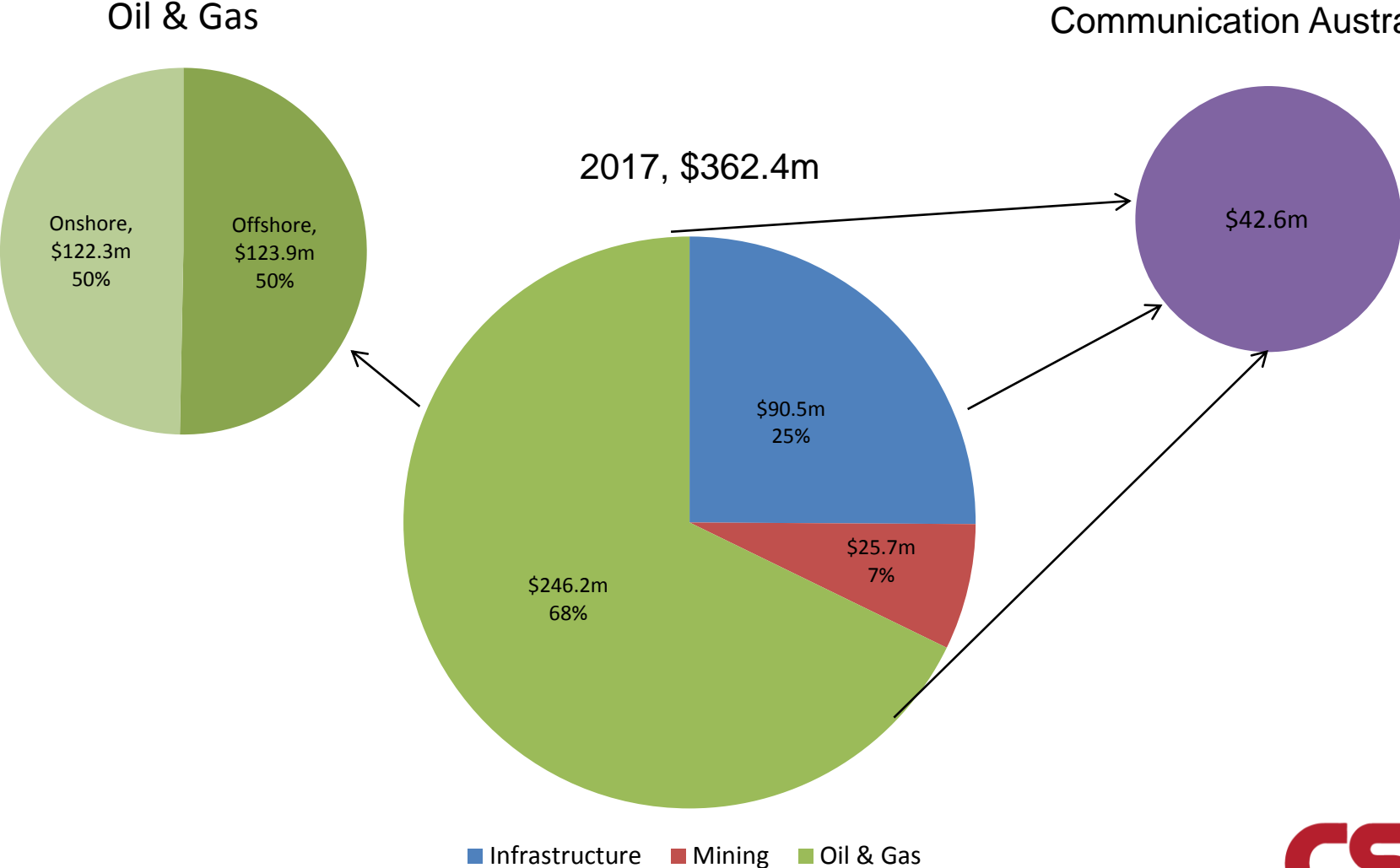
Positives

- Good new order received of S\$381.9M, strong brownfield & small greenfield projects flow
- Good growth infrastructure business

Segmentation of Revenue by Sector



Further Information on 2017 Revenue



- Increased presence
 - 13 offices in United States of Americas
 - 11 offices in Australia/New Zealand
- Grown Mining & infrastructure
 - Revenue 32% in 2017 (16% in 2015 & 26% in 2016)
 - EBIT 76% in 2017 (24% in 2015 & 37% in 2016)
- Diversify into midstream and downstream O&G business and expand into new shale formations in USA

- Generate cash flow
- Cost control
- Continue to focus on building small greenfield projects and brownfield projects
- Build the footprint in Americas and Australia through acquisitions and new setup

Summary

- The current oil/gas and commodity prices continue to influence investment decisions and customers remain highly focused on cost control and cash flow generation.
- With a current outlook of the higher flow orders in greenfield and brownfield orders, the Group expects a much better performance in FY2018.
- Going forward, CSE will focus on cost control and consolidating the acquisitions made in FY2016 and FY2017, and will continue to explore acquisition opportunities to support its long term sustainable growth objectives.

Dividends (Proposed)

	FY2015	FY2016	FY2017
Dividends (Cents):			
Interim	1.25	1.25	1.25
Special Interim	-	-	-
Final	1.25	1.5	1.0 [#]
Special	0.25	-	0.5 [#]
Total	2.75	2.75	2.75
Payment Date:	18 May 2018		
Book Closure:	4 May 2018		
AGM:	19 April 2018		
#: proposed and subject to approval at AGM			

4Q 2017 & FY 2017 Financial Performance

4Q 2017 Financial Overview

Continuing Operations

Revenue	↑	Grew by 49.1% to S\$116.7m
Gross Margin	↓	Decreased to 24.8% from 35.1% in 4Q16
EBIT	↓	Decreased by 21.1% to S\$6.5m compared to S\$8.3m in 4Q16
PATNCI before EI	↓	Decreased to S\$4.3m from S\$6.2m in 4Q16
PATNCI after EI	↓	Loss of S\$37.3m in 4Q17
EPS	↓	-7.23 cents per share compared to 1.19 cents per share in 4Q16
Order intake	↑	50.6% growth in new orders to S\$86.9m from S\$57.7m in 4Q16
Order Book	↑	Grew by 7.3% to S\$175.0m

FY 2017 Financial Overview

Continuing Operations

Revenue	↑	Grew by 14.0% to S\$362.4m
Gross Margin	↓	Decreased to 26.0% from 31.7% in FY16
EBIT	↓	Decreased by 28.8% to S\$19.6m compared to S\$27.6m in FY16
PATNCI before EI	↓	Decreased to S\$13.3m from S\$21.2m in FY16
PATNCI after EI	↓	Loss of S\$45.1m in FY17
EPS	↓	-8.75 cents per share compared to 4.11 cents per share in FY16
Order intake	↑	33.2% growth in new orders to S\$381.9m from S\$286.6m in FY16
Order Book	↑	Grew by 7.3% to S\$175.0m

FY 2017 Financial Overview

Continuing Operations

Financial Position & Cashflow

- Cash outflow from operations of S\$2.9m in 4Q17 and S\$2.3m in FY17, mainly due to funding of working capital for the large greenfield projects secured in the Americas regions
- Net Cash of S\$15.5m at 4Q17 vs S\$70.2m at 4Q16, after deducting for acquisitions costs of S\$8.2m, dividend payments of S\$14.2m and the one-off settlement costs of S\$16.6m
- Equity attributable to owners of the Company were S\$174.0m at 31 December 2017 vs S\$251.4m at 31 December 2016
- NAV per share at 31 December 2017 was at 33.71 cents vs 48.70 cents at 31 December 2016

Summary Financials 4Q And FY 2017

S\$m	4Q 2017	4Q 2016	Change	FY 2017	FY 2016	Change
Revenue	116.7	78.3	49.1%	362.4	317.8	14.0%
Gross Profit	28.9	27.5	5.4%	94.1	100.7	-6.5%
Gross margin (%)	24.8%	35.1%	-29.3%	26.0%	31.7%	-18.0%
Operating PATMI before exceptional items	4.3	6.2	-29.8%	13.3	21.2	-37.1%
Profit attributable to shareholders	-37.3	6.2	N.M.	-45.1	21.2	N.M.
Operating cash flow from operations	-2.9	1.0	N.M.	-2.4	61.9	N.M.
Net Cash/(loan)	15.5	70.2	-77.9%	15.5	70.2	-77.9%
Order intake	86.9	57.7	50.6%	381.9	286.6	33.2%
Order book/backlog	175.0	163.1	7.3%	175.0	163.1	7.3%



FY 2017 Financial Overview

Continuing Operations

		FY2017 S\$'M
PATNCI before Exceptional Items		13.3
Exceptional items:		
Less: One-off settlement costs	(16.8)	
Impairment of Receivables	(11.7)	
Impairment of Goodwill/Investments, net of NCI	(26.4)	
Write down of Deferred Tax Assets	(3.5)	
		(58.5)
PATNCI after Exceptional Items		(45.1)



4Q & FY 2017 FX Movement

	4Q 2017	4Q 2016	Variance (%)	FY 2017	FY 2016	Variance (%)
USD/SGD:	1.3577	1.3949	-2.67%	1.3856	1.3824	0.23%
GBP/SGD:	1.8084	1.7480	3.46%	1.7811	1.8928	-5.90%
AUD/SGD:	1.0444	1.0566	-1.15%	1.0584	1.0228	3.48%

4Q & FY2017 Constant Currency

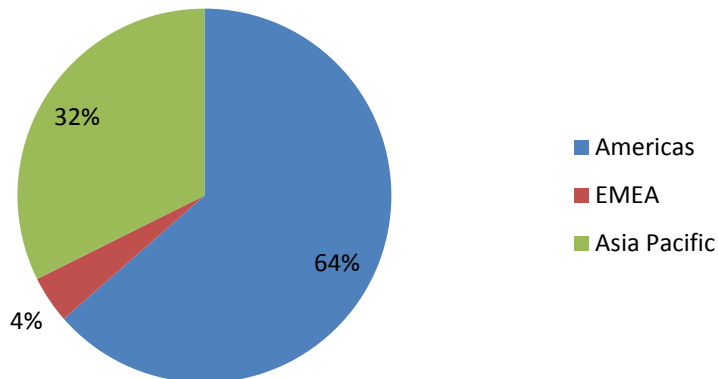
S\$M	4Q 2017	4Q 2016	Variance (%)	4Q 2017 Constant Currency	Variance (%)
Revenue:	116.7	78.3	49.1%	119.1	52.1%
PATMI:	4.3	6.2	-29.8%	4.4	-29.3%

S\$M	FY 2017	FY 2016	Variance (%)	FY 2017 Constant Currency	Variance (%)
Revenue:	362.4	317.8	14.0%	358.8	12.9%
PATMI:	13.3	21.2	-37.1%	13.2	-37.5%

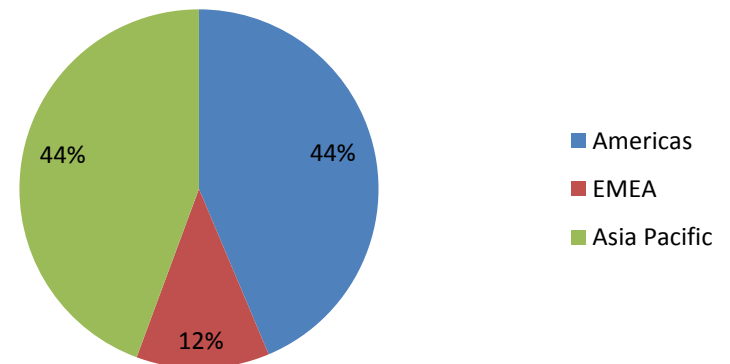
Revenue by Geographical Region - 4Q 2017

S\$m	Q4 2017	Q4 2016	Var %
Americas	74.2	34.2	117.0%
EMEA	4.8	9.4	-49.1%
Asia Pacific	37.8	34.7	8.7%
Total	116.7	78.3	49.1%

Q4 2017



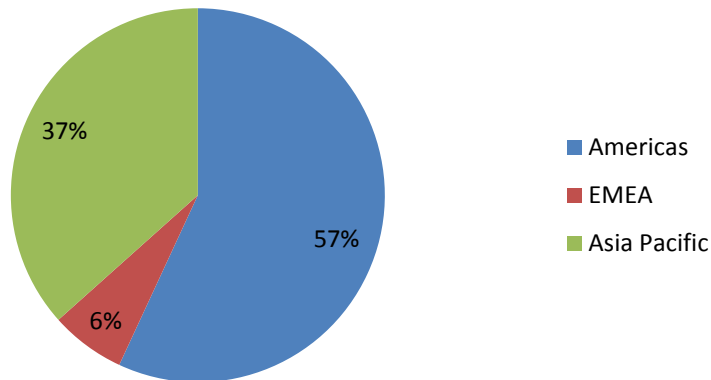
Q4 2016



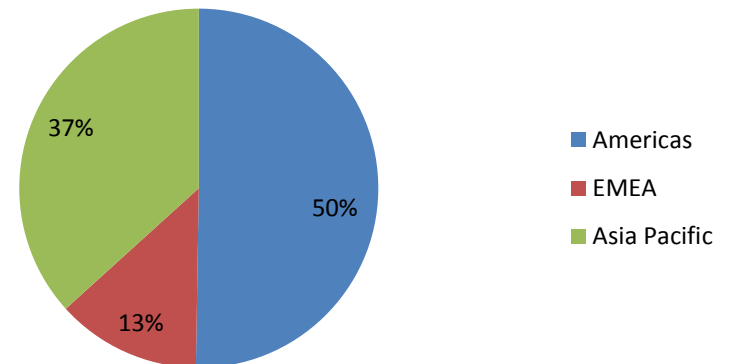
Revenue by Geographical Region - FY 2017

S\$m	FY 2017	FY 2016	Var %
Americas	206.2	159.7	29.1%
EMEA	23.5	41.4	-43.2%
Asia Pacific	132.6	116.7	13.7%
Total	362.4	317.8	14.0%

FY 2017

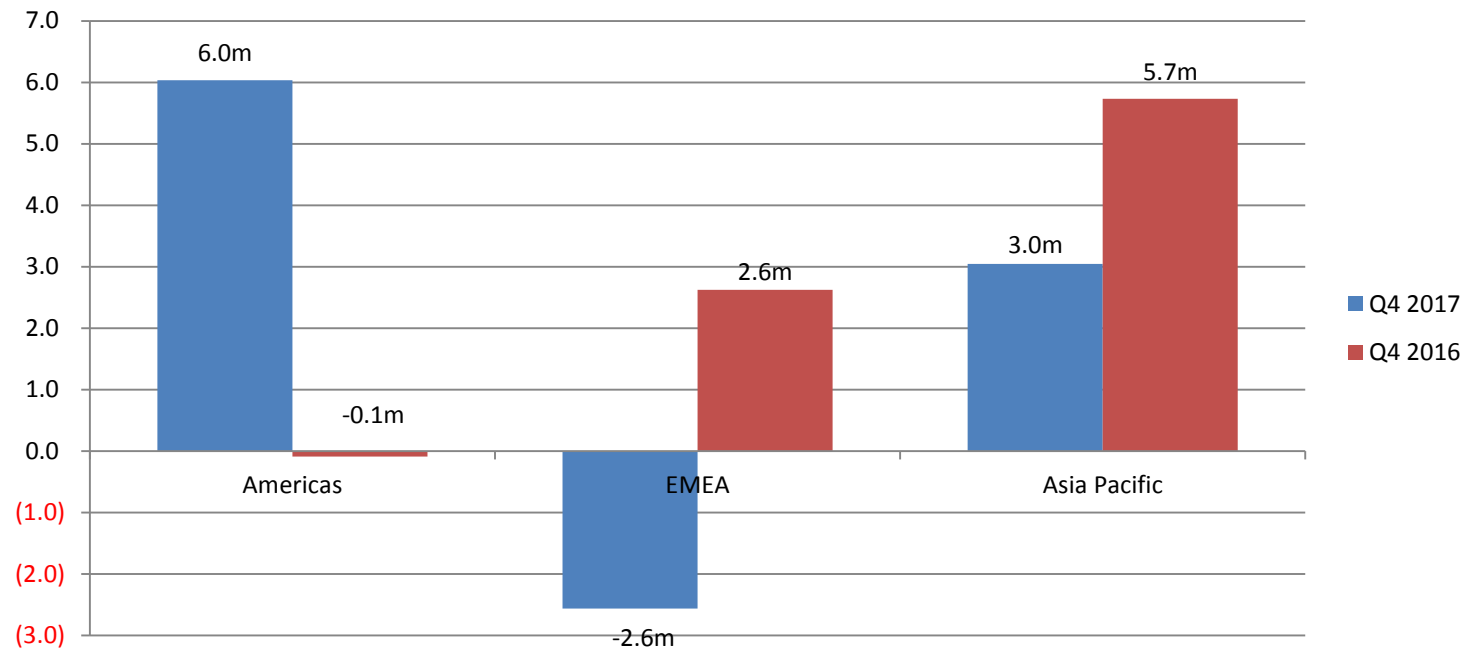


FY 2016



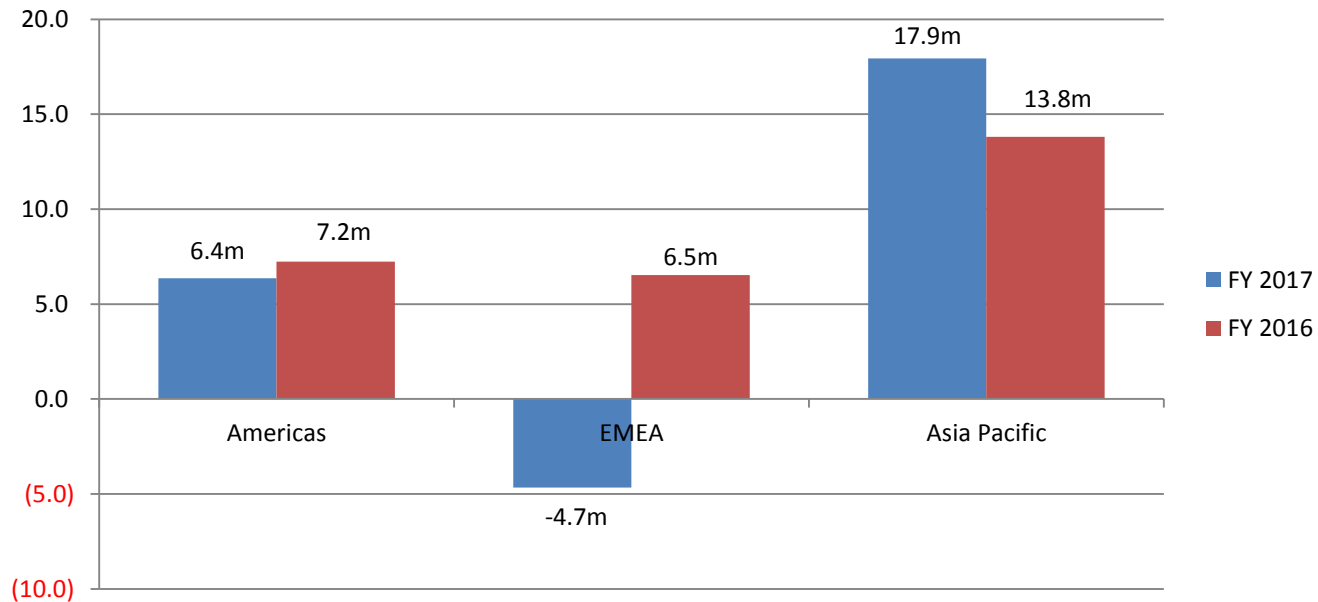
EBIT by Geographical Region - 4Q 2017

S\$m	Q4 2017	Q4 2016	Var %
Americas	6.0	(0.1)	N.M.
EMEA	(2.6)	2.6	N.M.
Asia Pacific	3.0	5.7	-46.7%
Total	6.5	8.3	-21.1%



EBIT by Geographical Region - FY 2017

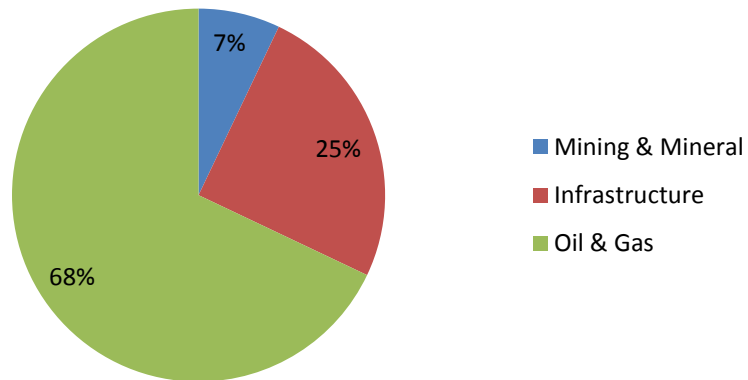
S\$m	FY 2017	FY 2016	Var %
Americas	6.4	7.2	-12.1%
EMEA	(4.7)	6.5	N.M.
Asia Pacific	17.9	13.8	29.9%
Total	19.6	27.6	-28.8%



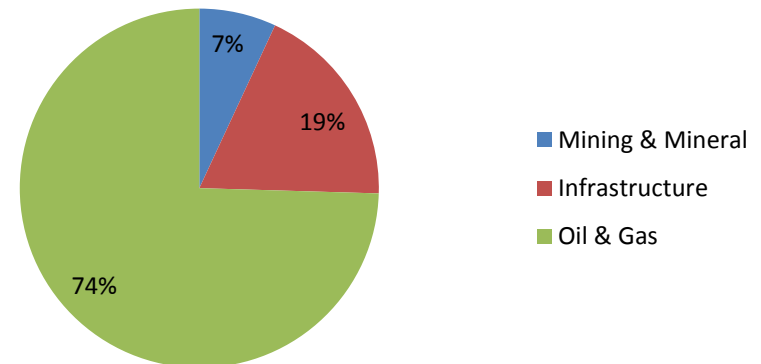
Revenue by Industry - FY 2017

S\$m	FY 2017	FY 2016	Var %
Mining & Mineral	25.7	22.0	16.5%
Infrastructure	90.5	58.9	53.6%
Oil & Gas	246.2	236.8	4.0%
Total	362.4	317.8	14.0%

FY 2017



FY 2016

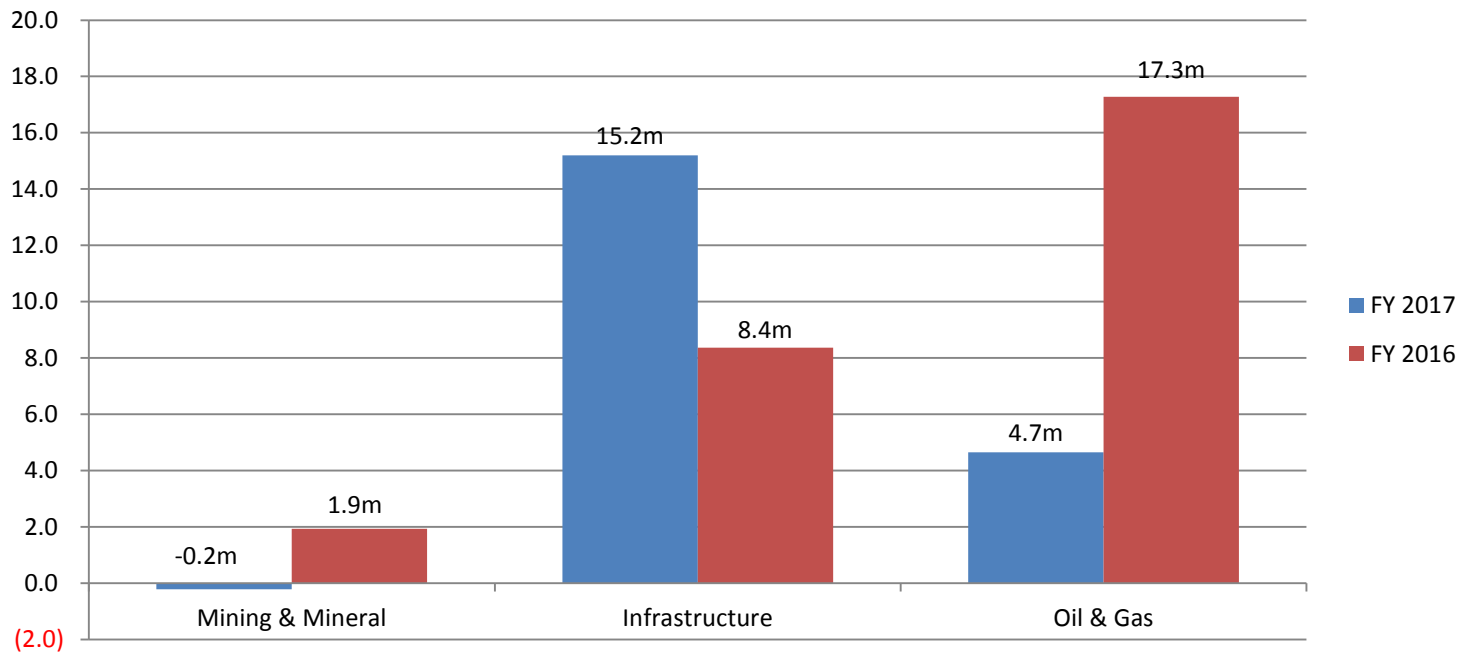


Infrastructure: Power, Water, Waste Treatment & Transportation



EBIT by Industry - FY 2017

S\$m	FY 2017	FY 2016	Var %
Mining & Mineral	(0.2)	1.9	N.M.
Infrastructure	15.2	8.4	81.6%
Oil & Gas	4.7	17.3	-73.1%
Total	19.6	27.6	-28.8%



Infrastructure: Power, Water, Waste Treatment & Transportation



Revenue by Geographical Region - Qtrly Trends

S\$m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Americas	74.2	53.9	40.9	37.2	34.2	38.9	39.2	47.4
EMEA	4.8	1.6	8.3	8.8	9.4	11.1	8.9	12.0
Asia Pacific	37.8	30.1	36.3	28.5	34.7	30.9	26.2	24.9
Total	116.7	85.6	85.5	74.5	78.3	81.0	74.3	84.2

Revenue by Industry - Qtrly Trends

S\$m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Mining & Mineral	11.9	2.7	9.1	2.0	9.9	6.7	2.8	2.7
Infrastructure	24.7	23.4	23.3	19.1	14.1	16.4	15.5	12.9
Oil & Gas	80.1	59.4	53.2	53.5	54.4	57.9	56.0	68.6
Total	116.7	85.6	85.5	74.5	78.3	81.0	74.3	84.2

FY 2017 Group Balance Sheet

S\$M	31-Dec-17	30-Sep-17	30-Jun-17	31-Mar-17	31-Dec-16
Cash at Hand & Bank	46.9	47.4	53.9	75.8	90.8
Quoted Investments	1.3	1.3	9.4	9.4	7.4
Work in Progress (Net)	53.7	41.4	38.4	42.3	30.9
Inventories	14.6	18.4	19.3	16.8	14.7
Trade Receivable	79.1	85.3	92.8	81.0	83.0
Other Receivable	17.1	12.5	9.5	12.9	5.6
Trade Payable	60.8	49.0	65.7	51.6	37.1
Net Current Assets	119.3	131.2	130.4	153.2	165.6
Loan	31.4	26.8	18.7	20.1	20.6
Net Cash/(loan)	15.5	20.6	35.2	55.8	70.2
Shareholder Fund	174.0	216.4	224.6	248.1	251.4

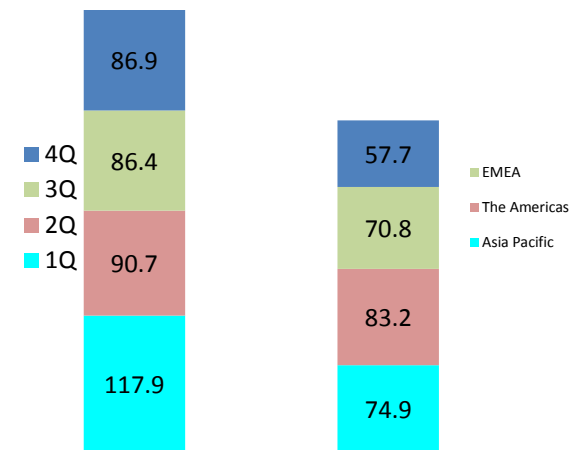
4Q /FY 2017 Group Cash Flow Statement

S\$m	Q4 2017	Q4 2016	FY 2017	FY 2016
As at beginning of the period	47.4	71.2	90.8	109.7
Net Operations	(2.9)	1.0	(2.3)	61.9
Interest income/(expense) and tax expenses	0.1	0.1	(4.8)	(3.5)
One-off settlement costs	-	-	(16.6)	-
Capital Expenditure (Net)	(1.3)	(1.3)	(8.0)	(6.8)
Quoted investment	-	13.2	6.0	(7.2)
Net additional investment in Subsidiaries & Associates	-	(0.8)	(8.2)	(14.4)
Bank Loans	4.6	2.2	10.8	(35.0)
Dividends	-	-	(14.2)	(14.2)
Net effect of FX on cash	(1.0)	5.2	(6.6)	0.2
As at end of period	46.9	90.8	46.9	90.8

4Q/FY 2017 Orders

New orders

\$381.9m **\$286.6m**



FY 2017

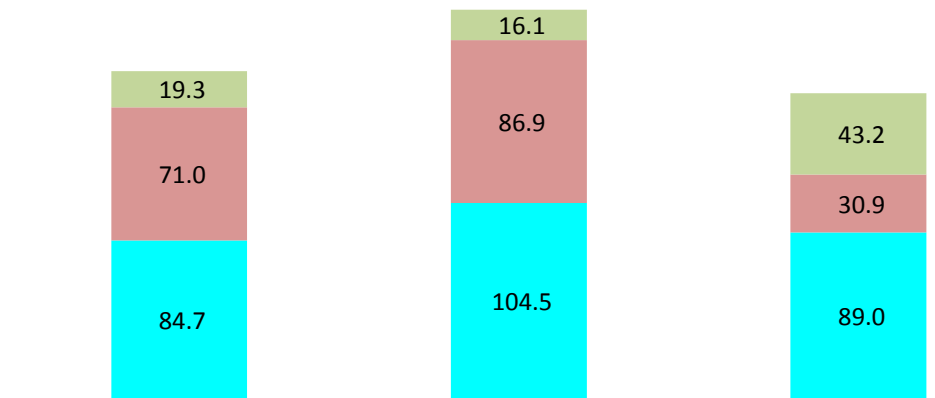
FY 2016

Outstanding orders

\$175.0m

\$207.6m

\$163.1m



4Q 2017

3Q 2017

4Q 2016

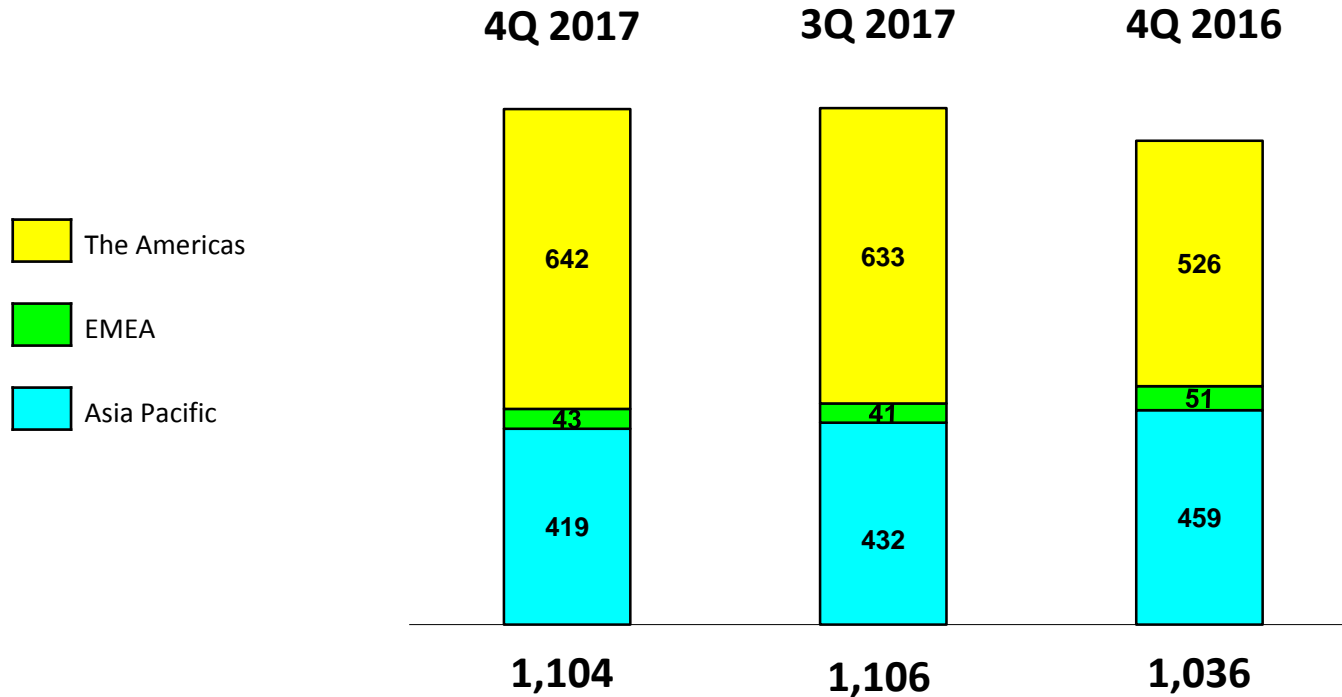
Order Intake by Industry

S\$'m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Oil & Gas	59.1	54.8	57.8	86.4	43.3	49.6	39.5	62.2
Mining	6.5	4.0	6.0	2.4	1.9	4.2	23.8	2.0
Infrastructure	21.2	27.6	27.0	29.0	12.5	17.0	19.9	10.7
Total	86.9	86.4	90.7	117.9	57.7	70.8	83.2	74.9

Backlog by Industry

S\$m	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Oil & Gas	78.2	101.0	106.9	103.1	75.2	82.6	85.9	104.5
Mining	4.5	10.0	8.7	11.9	10.7	20.6	25.8	4.7
Infrastructure	92.3	96.6	92.4	89.2	77.1	75.8	74.9	70.5
Total	175.0	207.6	207.9	204.2	163.1	179.0	186.6	179.7

Human Resource



Thank You

Questions & Answers