



1Q 2016 Results Briefing CSE Global Limited

Fullerton Hotel

11 May 2016

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1Q 2016 Financial Review

1Q 2016 Financial Overview

Continuing Operations

- Revenue declined by 16.5% to S\$84.2m yoy, mainly due to Asia-Pacific and the Americas regions
- Gross profit decreased by 16.2% yoy or S\$4.6m to S\$24.1m
- Gross margins in 1Q16 stable at 28.6% vs 28.5% in 1Q15
- PATMI from continuing operations at S\$5.5m vs S\$7.0m in 1Q15, 20.9% lower yoy
- Operating expenses included S\$0.6m transaction expenses from new acquisitions, increase in operating expenses of S\$0.9m from Crosscom and S\$0.3m from CCA
- Excluding the acquisition expenses, PATMI from continuing operations would have been S\$6.1m, 11.9% lower yoy
- EPS down 27.2% to 1.07 cents
- New orders in 1Q16 totalling S\$74.9m vs S\$98.4m in 1Q15, a 23.8% drop
- Order book of S\$179.6m at end of 1Q16 vs S\$192.7m at end of 4Q15

1Q 2016 Financial Overview

Continuing Operations

Financial Position & Cashflow

- Equity attributable to owners of the Company were S\$238.6m at 31 March 2016 vs S\$241.6m at 31 December 2015
- Return on Equity annualised at 9.2%
- NAV per share at 31 March 2016 was lower at 46.24 cents vs 46.82 cents at 31 December 2015
- Strong operating cash inflow of S\$19.7m in 1Q16 vs -S\$1.4m in 1Q15, due to higher collections and billings, as a result of achievement of project delivery milestones for several projects
- Net Cash improved to S\$57.3m as at 31 March 2016 vs S\$54.2m as at 31 December 2015

Summary Financials 1Q 2016

S\$m	1Q 2016	1Q 2015	Change
Revenue	84.2	100.8	-16.5%
Gross Profit	24.1	28.7	-16.2%
EBIT	6.4	10.0	-36.2%
PATMI from continuing operations	5.5	7.0	-20.9%
Profit attributable to shareholders	5.5	7.6	-27.5%
Gross margin (%)	28.6%	28.5%	0.3%
EBIT margin (%)	7.6%	10.0%	-23.6%
Net margin (%)	6.5%	7.5%	-13.2%
Operating cash flow	19.7	-1.4	N.M
Net Cash/(loan)	57.3	23.0	149.2%
Order intake	74.9	98.4	-23.8%
Order book/backlog	179.6	252.5	-28.9%



1Q 2016 FX Movement

	1Q 2016	1Q 2015	Variance (%)
USD/SGD:	1.4189	1.3613	4.24%
GBP/SGD:	2.0528	2.0526	0.01%
AUD/SGD:	1.0019	1.0748	-6.78%

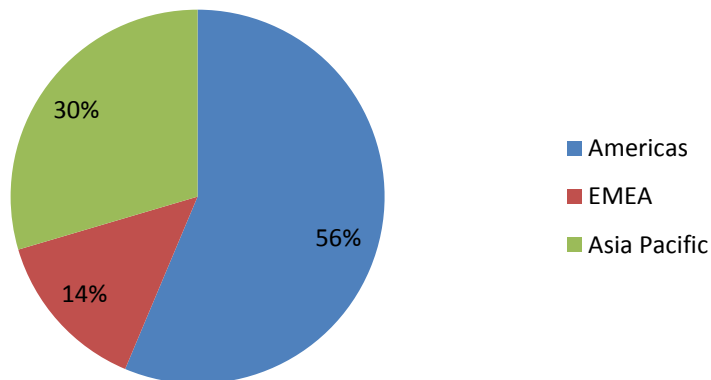
1Q 2016 Constant Currency

S\$M	1Q 2016	1Q 2015	Variance (%)	1Q 2016 Constant Currency	Variance (%)
Revenue:	84.2	100.8	-16.5%	82.7	-18.0%
PATMI:	5.5	7.6	-27.5%	5.4	-28.9%

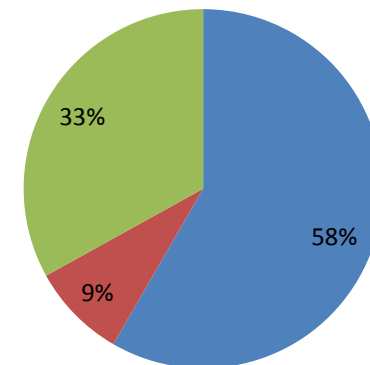
Revenue by Geographical Region

S\$m	Q1 2016	Q1 2015	Var %
Americas	47.4	58.8	-19.4%
EMEA	11.9	8.7	37.7%
Asia Pacific	24.9	33.3	-25.4%
Total	84.2	100.8	-16.5%

Q1 2016



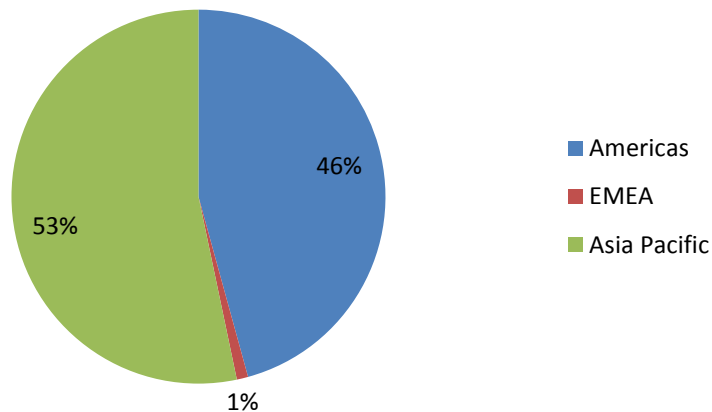
Q1 2015



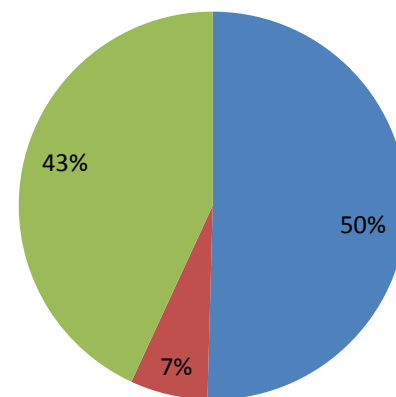
EBIT by Geographical Region

S\$m	Q1 2016	Q1 2015	Var %
Americas	2.9	5.1	-42.0%
EMEA	0.1	0.6	-93.4%
Asia Pacific	3.4	4.3	-20.9%
Total	6.4	10.0	-36.2%

Q1 2016



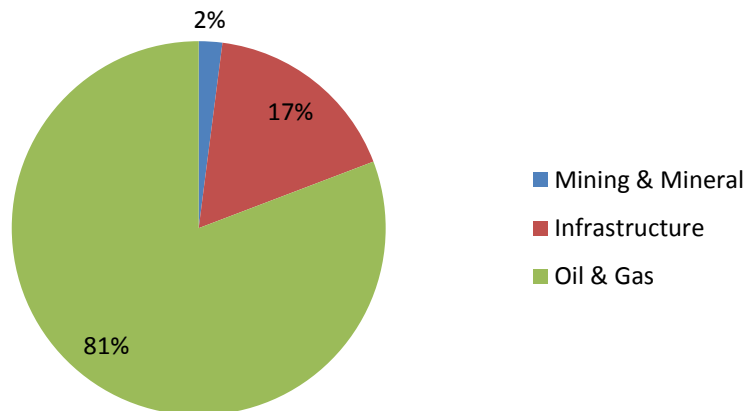
Q1 2015



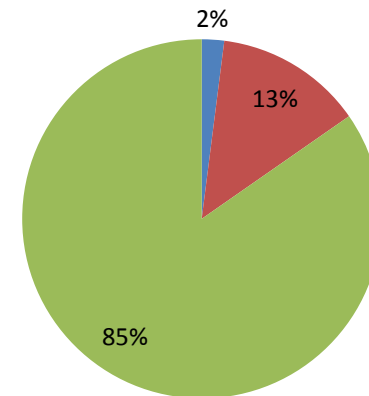
Revenue by Industry

S\$m	Q1 2016	Q1 2015	Var %
Mining & Mineral	1.7	2.0	-15.8%
Infrastructure	14.5	13.4	8.4%
Oil & Gas	68.0	85.4	-20.4%
Total	84.2	100.8	-16.5%

Q1 2016



Q1 2015



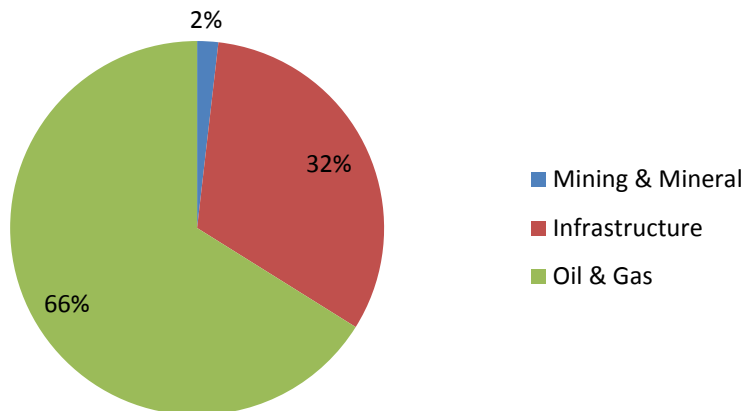
Infrastructure: Power, Water, Waste Treatment & Transportation



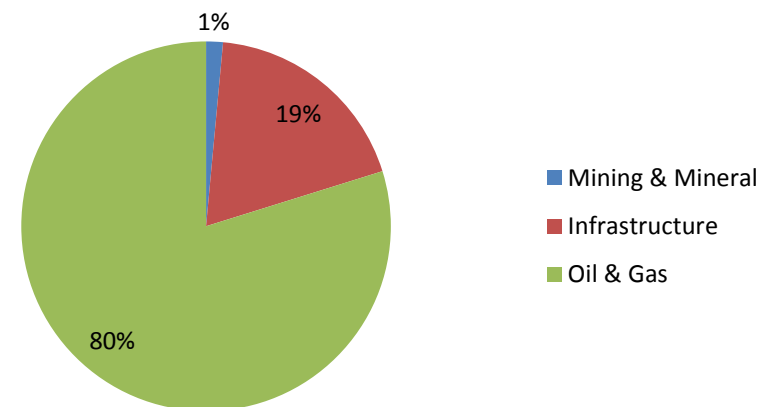
EBIT by Industry

S\$m	Q1 2016	Q1 2015	Var %
Mining & Mineral	0.1	0.1	-20.9%
Infrastructure	2.1	1.9	10.0%
Oil & Gas	4.2	8.0	-47.2%
Total	6.4	10.0	-36.2%

Q1 2016



Q1 2015



Infrastructure: Power, Water, Waste Treatment & Transportation



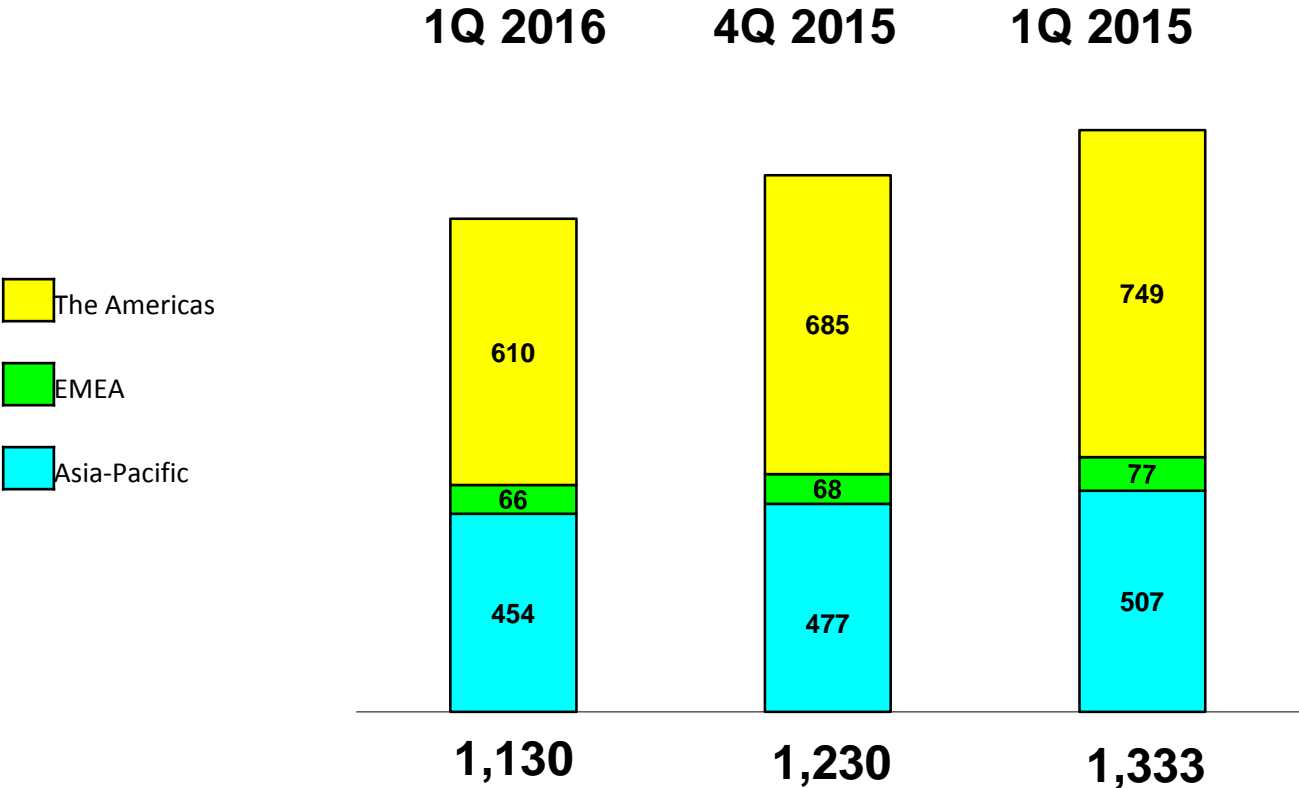
1Q 2016 Group Balance Sheet

S\$M	31-Mar-16	31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15
Cash at Hand & Bank	76.3	109.7	66.2	59.5	67.0
Work in Progress (Net)	37.7	47.8	76.5	88.0	73.2
Inventories	12.7	11.8	17.3	17.0	13.9
Trade Receivable	90.6	99.6	104.5	88.0	94.9
Other Receivable	8.8	10.6	10.3	10.8	13.8
Trade Payable	45.1	50.7	54.2	54.7	56.7
Net Current Assets	158.6	168.7	158.7	153.3	158.7
Loan	19.0	55.5	58.0	52.4	44.0
Net Cash/(loan)	57.3	54.2	8.2	7.1	23.0
Shareholder Fund	238.6	241.6	233.0	221.1	228.1

1Q 2016 Group Cashflow

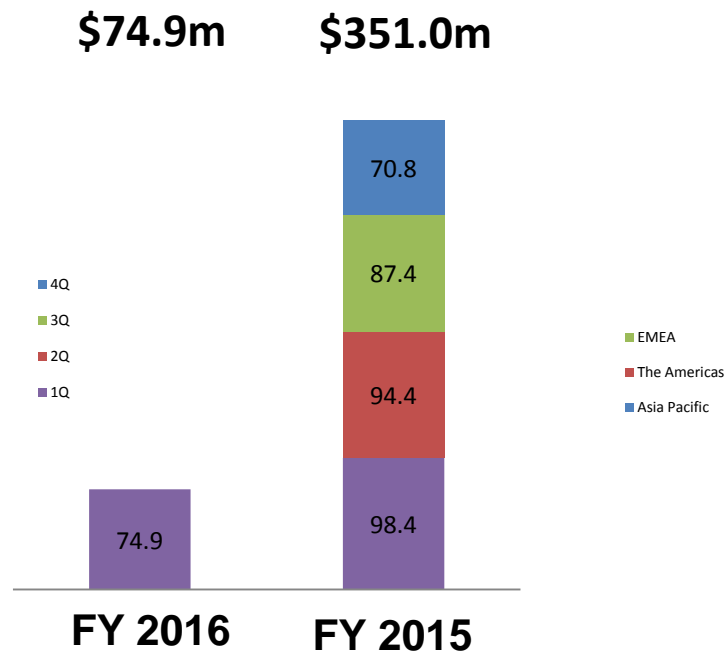
S\$m	Q1 2016	Q1 2015
As at beginning of the period	109.7	66.9
Net Operations	19.7	(1.4)
Capital Expenditure (Net)	(3.0)	(0.8)
Payment for subsidiary/assets acquired	(10.4)	(0.5)
Bank Loans	(36.5)	0.5
Dividends	-	-
Net effect of FX on cash	(3.2)	2.3
As at end of period	76.3	67.0

Human Resource Growth

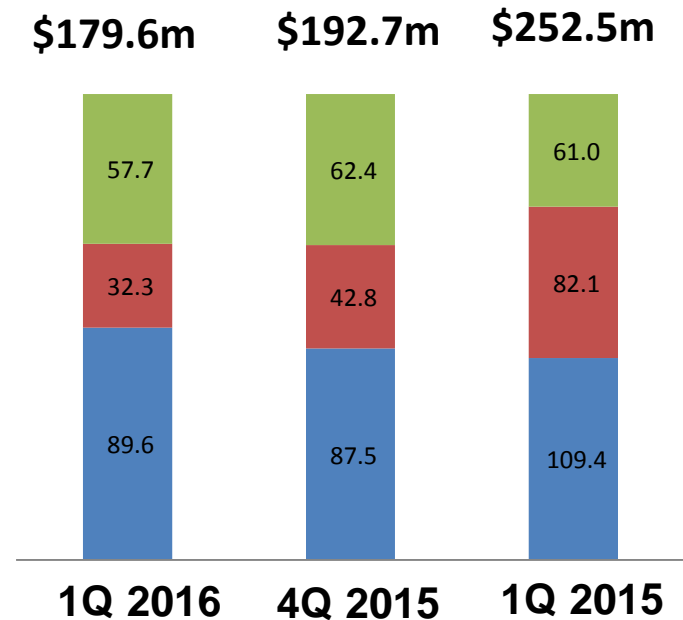


1Q 2016 Orders

New orders



Outstanding orders



Business Overview & Outlook

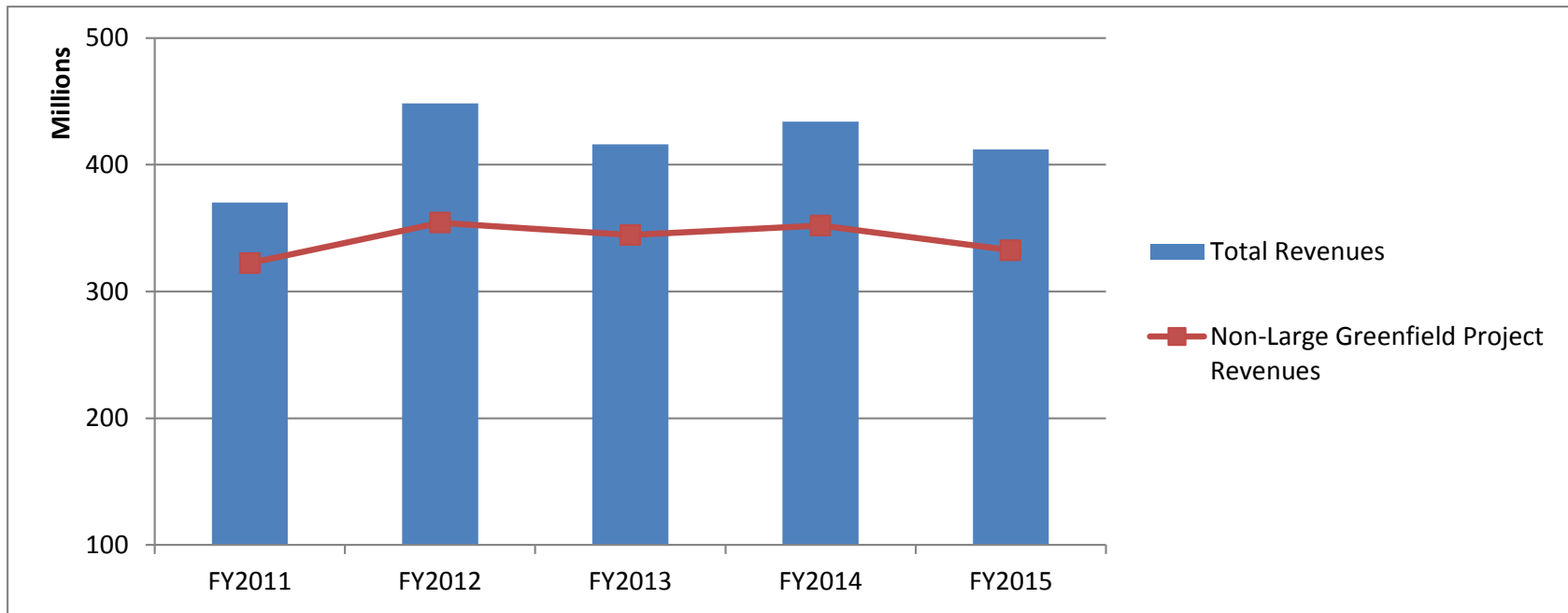
Business Outlook - Overall

- Business environment continues to be difficult
- Few large greenfield projects opportunities
- Consolidations by producers and service providers have started but slow – oversupply remains.
- Operating capital expenditures by producers remains resilient

Business Outlook - Overall 2

- Standardisation by industries to lower cost
- Long-term partnership forming for supply and demand

Large greenfield projects



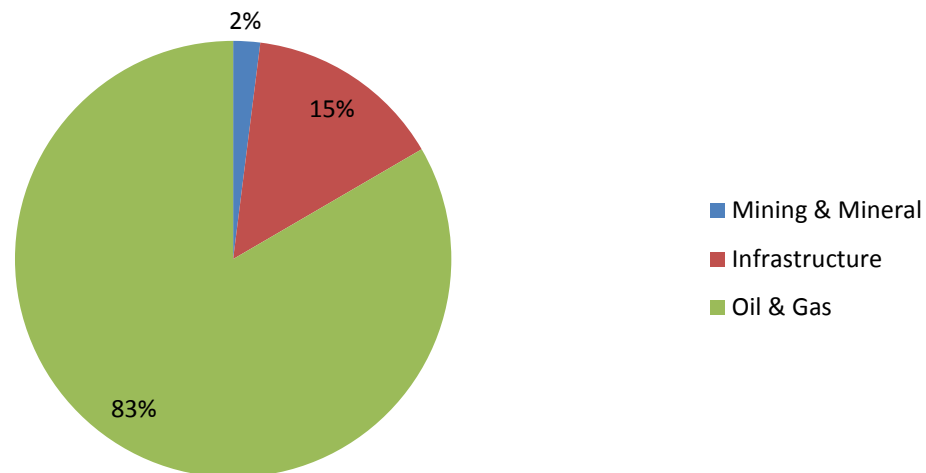
	FY2011	FY2012	FY2013	FY2014	FY2015
Total Revenues (in million)	370.1	448.2	416.0	433.8	412.0
Small Greenfield & Brownfield Project Revenues	322.4	354.2	344.4	352.0	332.5
Share of Small Greenfield & Brownfield Project Revenues	87%	79%	83%	81%	81%



Revenue by Industry Continuing Operations

S\$m	FY2015
Mining & Mineral	8.2
Infrastructure	60.2
Oil & Gas	343.6
Total	412.0

FY2015



- Generate cashflow
- Continue to focus on building small greenfield projects and brownfield projects
- Win the window of opportunities
- Build the footprint in Americas and Australia through acquisitions and new setup
- Cost control

Be Prepared For The Turnaround

Summary

Conditions in the industry sectors which the Group operates remain challenging. Low oil and gas and commodity prices continue to influence investment decisions and customers remain highly focused on cost control. The Group will continue to support and service its existing installed base or customers as well as execute its outstanding order book of S\$179.6 million at the end of 1Q16. The Group has implemented cost control measures which has resulted in a 16% year on year reduction in the Group's overhead base and will continue to be vigilant in managing cost and working capital.

As there are opportunities available in the oil and gas sector, the Group will continue to secure more greenfield and brownfield orders. Additionally, CSE is confident that it is in a strong position to leverage its core engineering capabilities to win orders in the non-oil and gas sector, specifically in the infrastructure sector in FY2016.

For FY2016, CSE will be in a net cash position and deliver a positive operating cashflow and profits. CSE will continue to explore acquisition opportunities to support its long term sustainable growth objectives.

Questions & Answers

Thank You