



**CSE Global Limited
Annual General Meeting
19 April 2018**

Presentation Agenda

- FY 2017 Business Overview
- FY 2017 Financial Overview
- Questions and Answers

FY 2017 Business Overview

CSE Business Model

- We are a system integrator, a technology company
- Industries we serve (provide solutions and services):
 - Oil & Gas (mainly in production (offshore: shallow sea, continental shelf and deep sea and onshore: shale, pipeline and chemical/petrol-chemical, Revenue 68%, EBIT 24%)
 - Infrastructure (transport, power utilities and water/waste water utilities, Revenue 25%, EBIT 78%)
 - Mineral & Mining (coal, gold, iron, copper, nickel & molybdenum, Revenue 7%, EBIT-2%)
- Cost effective solution provider

CSE Business Model

- No longer a pure Oil & Gas player
 - strategy to diversify non Oil & Gas is successful (now 32% Revenue, 76% EBIT)
 - strengthen existing Infrastructure and Mineral & Mining business
 - build new radio business in Australia
- In Oil & Gas
 - now a creditable player in onshore in USA
 - retained competencies in deep water offshore

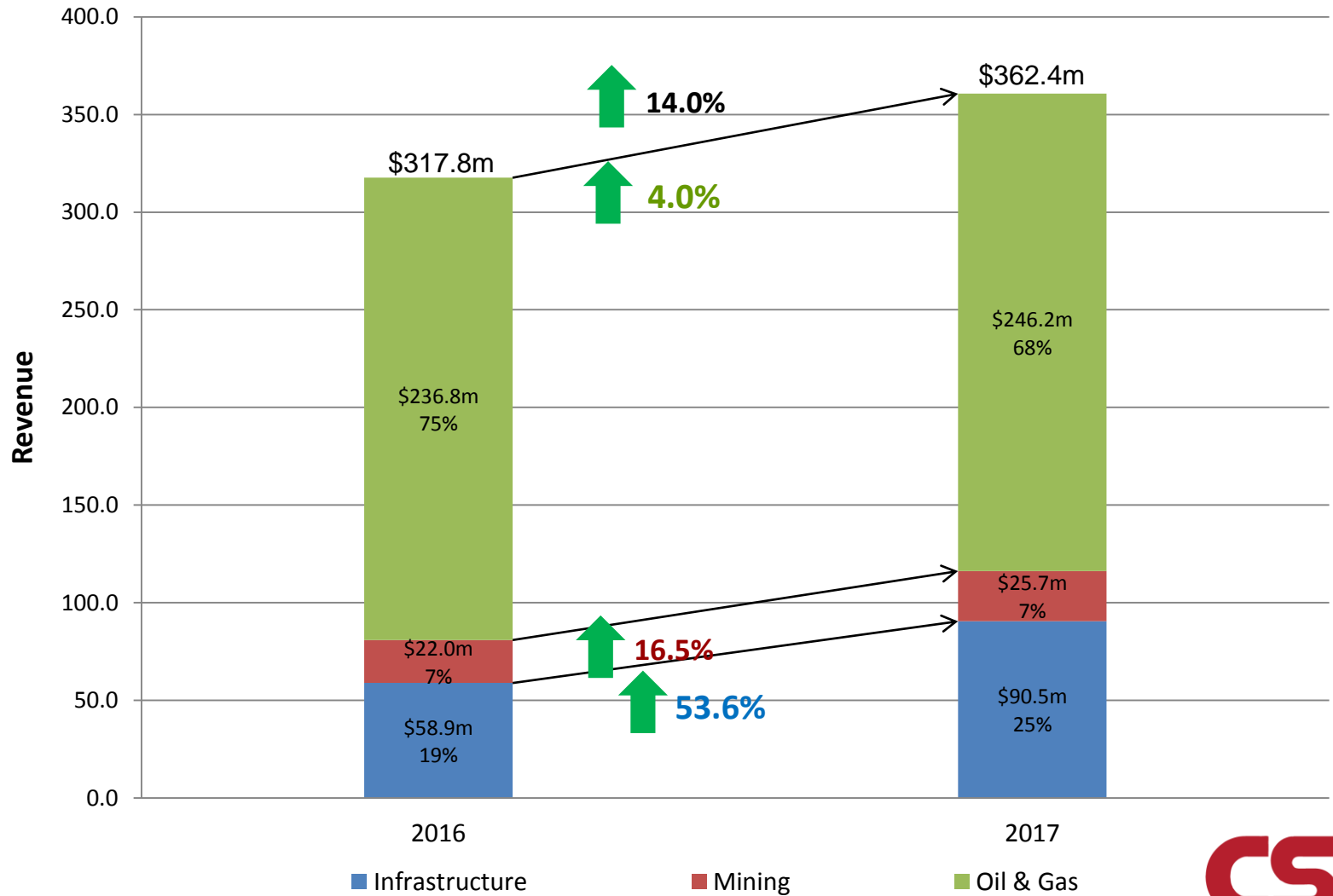
Revenue

<u>S\$m</u>	FY2015	FY2017
Oil & Gas	345.0 (84%)	246.2 (68%)
Infrastructure	53.9 (13%)	90.5 (25%)
Mineral & Mining	13.1 (3%)	25.7 (7%)
Group	412.0	362.4

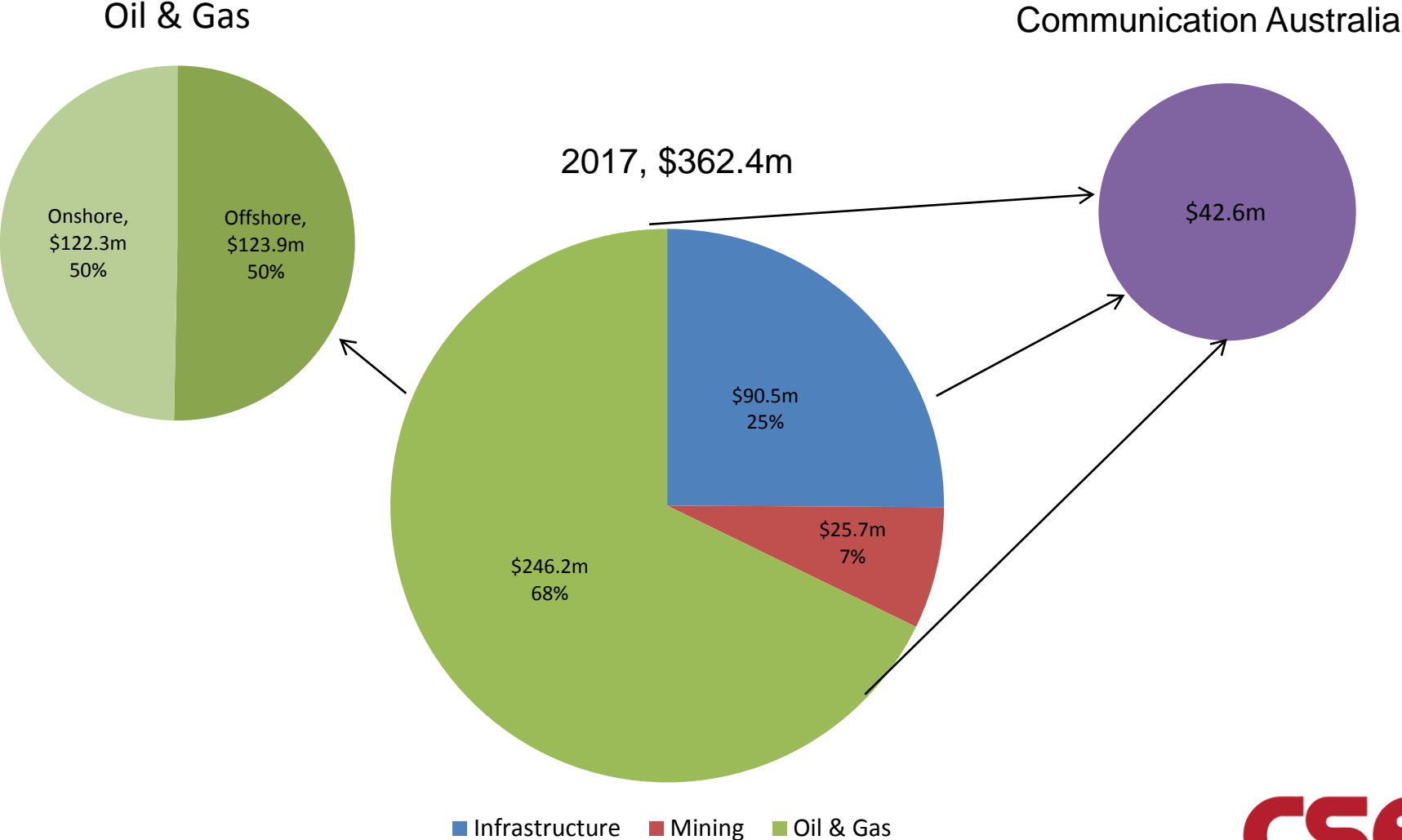
EBIT

<u>S\$m</u>	FY2015	FY2017
Oil & Gas	30.6 (76%)	4.7 (24%)
Infrastructure	8.2 (20%)	15.2 (78%)
Mineral & Mining	1.6 (4%)	(0.2) (-2%)
Group	40.5	19.6

Segmentation of Revenue by Sector



Further Information on 2017 Revenue



- Traditionally, serve the offshore market
- Faced with global Oil & Gas downturn starting from FY2014
- Restructure the offshore business (Mainly in USA)
 - focus only on deep water
 - keep competencies
 - reduce cost and headcount
- Restructure the telecommunication solution business (Mainly in Middle East)
 - keep competencies
 - reduce cost and headcount
- Grow onshore business in USA
 - set up new offices
 - make 2 acquisitions in USA
 - now is 50% of Oil & Gas business or S\$122.5m (up from S\$34.5m in FY2015)
- Network of 14 offices in USA

- Traditionally, in Singapore and Australia
- In Singapore,
 - maintain position with the Singapore Government
- In Australia,
 - restructure, rebuild and refocus the provision of energy solutions and services
 - built a radio communication business
 - made 5 acquisitions to solidify position
 - now revenue of S\$42m in FY2017

- In Australia
 - faced with the end of Mining boom in FY2014
 - restructure, rebuild and refocus the provision of energy solutions and services
 - revenue now S\$25.7m

Growth by Acquisitions

S\$'m	Purchase Consideration	Revenue	EBIT
USA	15.6	32.4	5.1
Australia	11.4	29.2	2.1
Total	27.0	61.6	7.2

- Contribution in 2017 for acquisitions made since 2015
- included amortization of intangibles, transaction cost and redundancy costs associated with the acquisitions but exclude exceptional items

Cost Control

S\$m	FY2015	FY2016	FY2017
Administrative cost	71.4	66.1	67.9
Selling & distribution cost	4.0	3.8	3.8
Total	75.4	69.9	71.7
Less: Expenses of new acquisitions	(1.6)	(7.3)	(12.2)
Total before acquisitions	73.8	62.6	59.5

- 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

Still have work to do

Build on the positive momentum

- Continue to strengthen
 - Singapore Government business
 - Energy solution and services business in Australia
 - Deep water business in USA
- Continue to build
 - Radio business in Australia
 - Onshore business in USA
- Continue to remodel restructure
 - Telecommunication business in EMEA

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

FY 2017 Financial Overview

Summary Financials

S\$'m	FY 2017	FY 2016	Change
Revenue	362.4	317.8	14.0%
Gross Profit	94.1	100.7	-6.5%
Gross margin (%)	26.0%	31.7%	-18.0%
Operating PATMI before exceptional items	13.3	21.2	-37.1%
Profit attributable to shareholders	-45.1	21.2	N.M.
Operating cash flow from operations	-1.6	61.9	N.M.
Net Cash/(loan)	15.5	70.2	-77.9%
Order intake	381.9	286.6	33.2%
Order book/backlog	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)



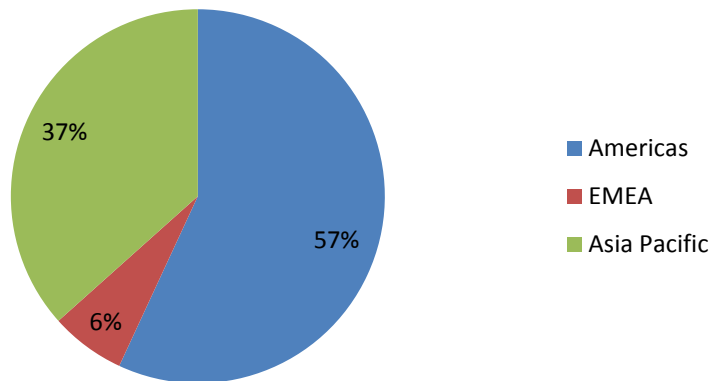
Impairment of Goodwill/Investments, net of NCI

S\$m	Goodwill before Impairment	Impairment	Goodwill after Impairment
W-Industries at Louisiana. LLC	14.6	14.6	-
S3 ID Group Ltd	7.0	7.0	-
CSE-Hankin Inc.	4.8	4.8	-
Total	26.4	26.4	-

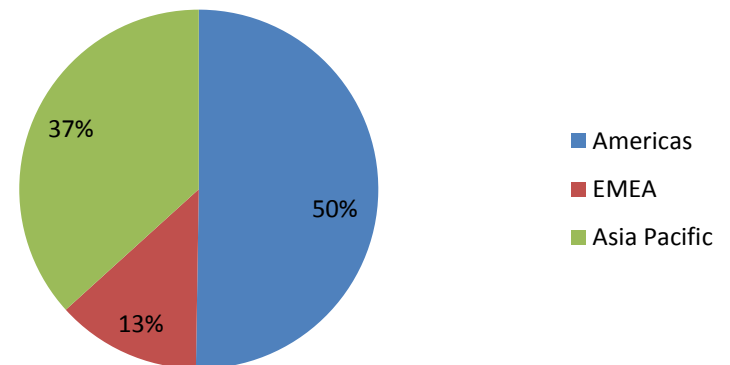
Revenue by Geographical Region - FY 2017

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

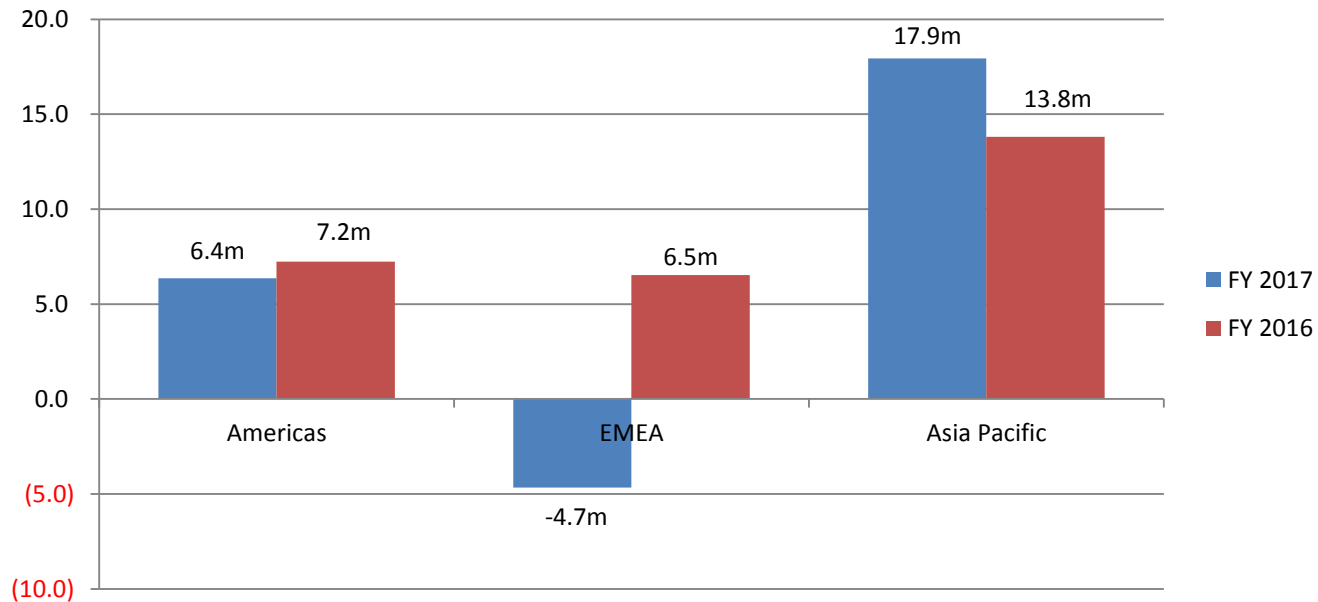


FY 2016



EBIT by Geographical Region - FY 2017

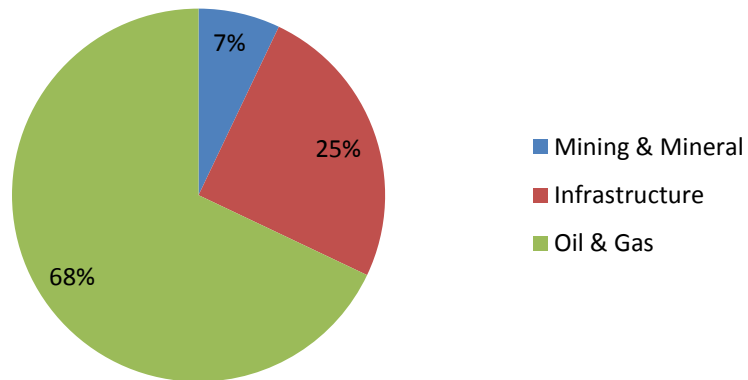
S\$m	FY 2017	FY 2016	Var %
Americas	6.4	7.2	-12.1%
EMEA	(4.7)	6.5	N.M.
Asia Pacific	17.9	13.8	29.9%
Total	19.6	27.6	-28.8%



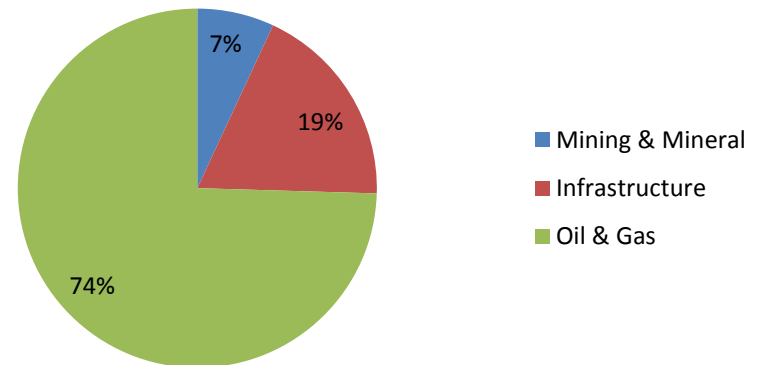
Revenue by Industry - FY 2017

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

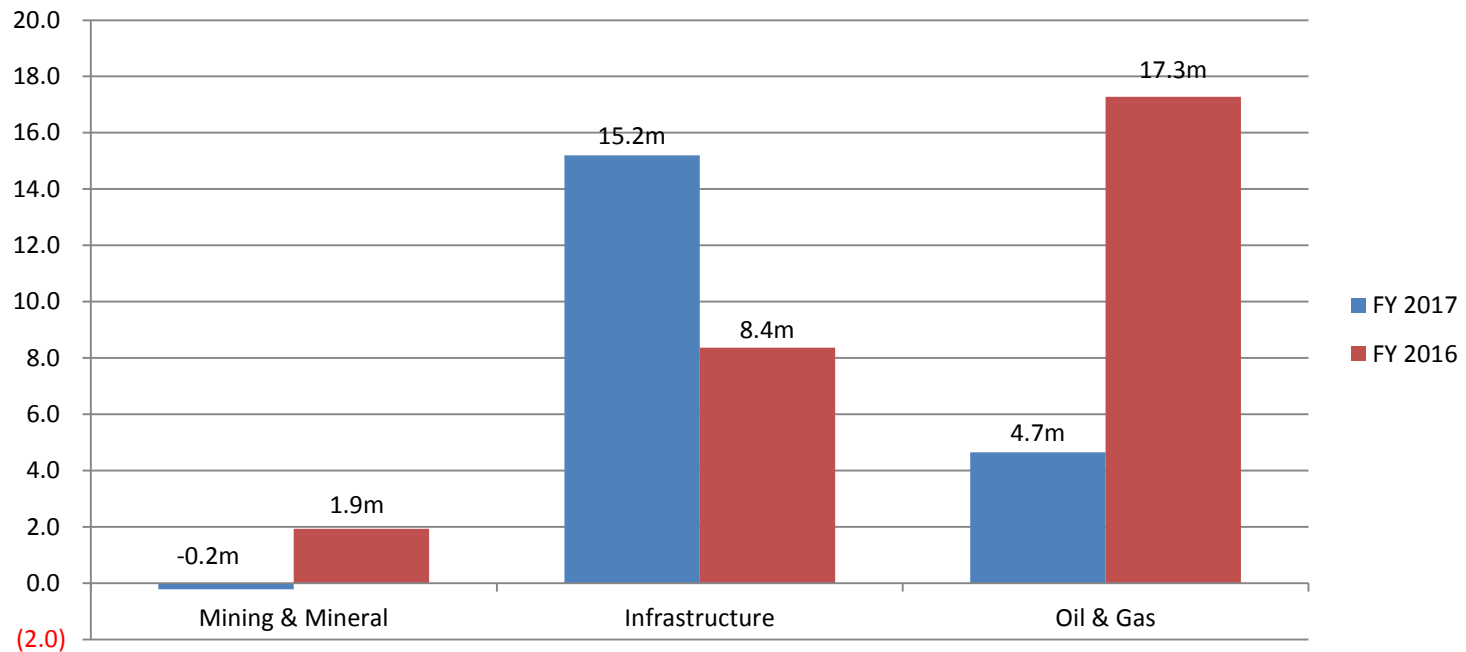


Infrastructure: Power, Water, Waste Treatment & Transportation



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%



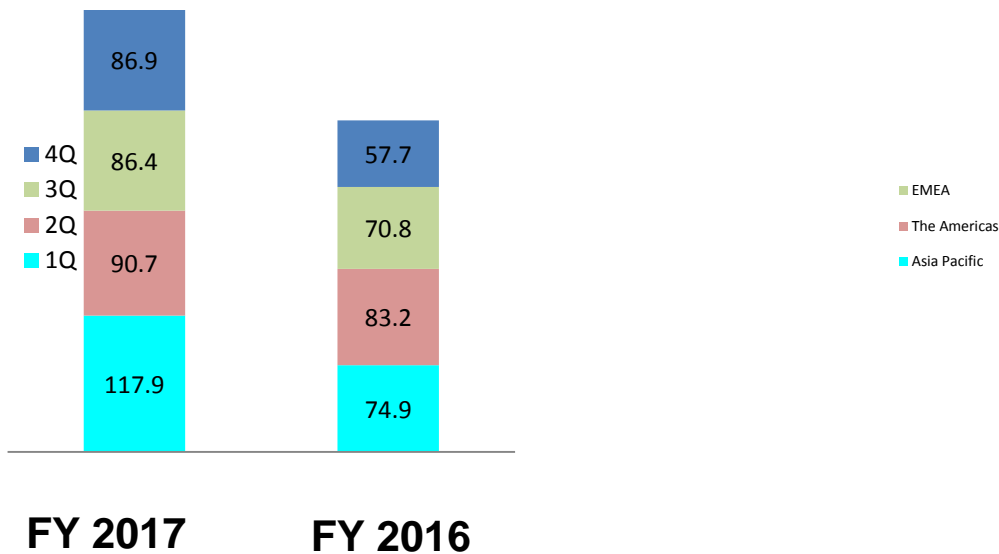
Infrastructure: Power, Water, Waste Treatment & Transportation



FY 2017 Orders

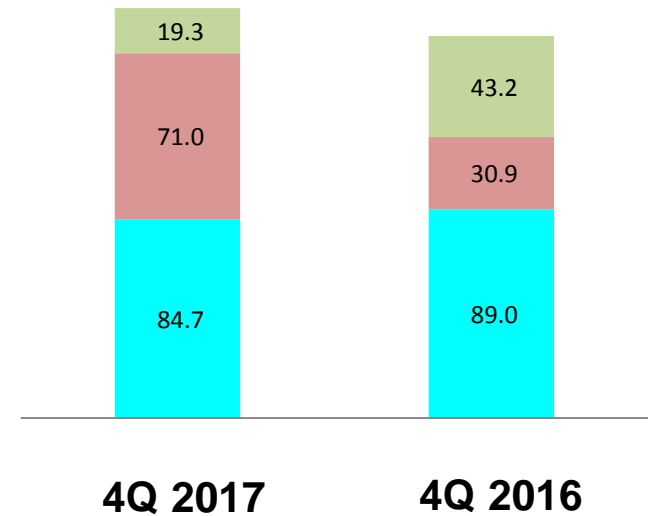
New orders

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



Outstanding orders

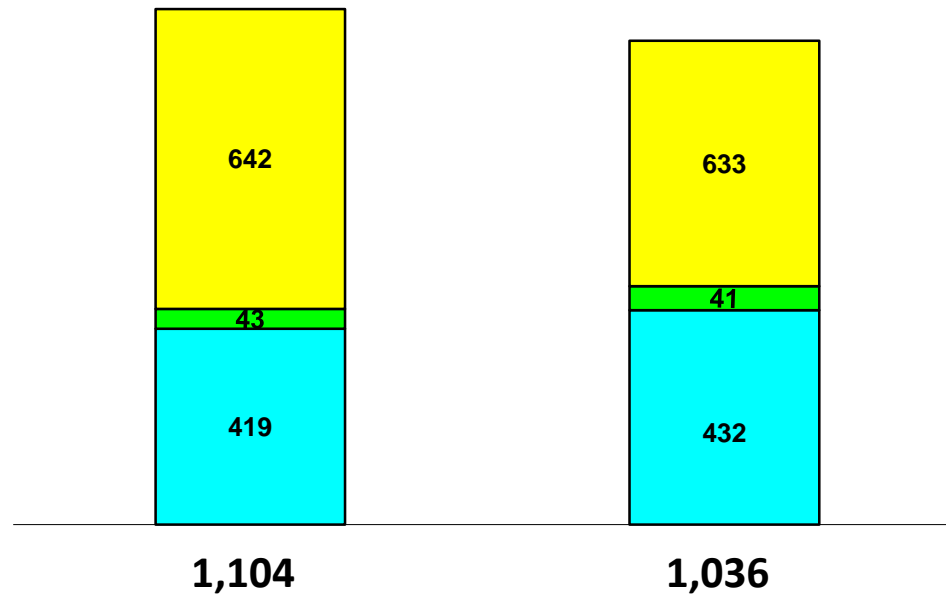
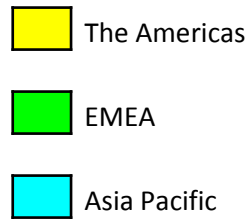
\$175.0m **\$163.1m**



Human Resource

4Q 2017

4Q 2016



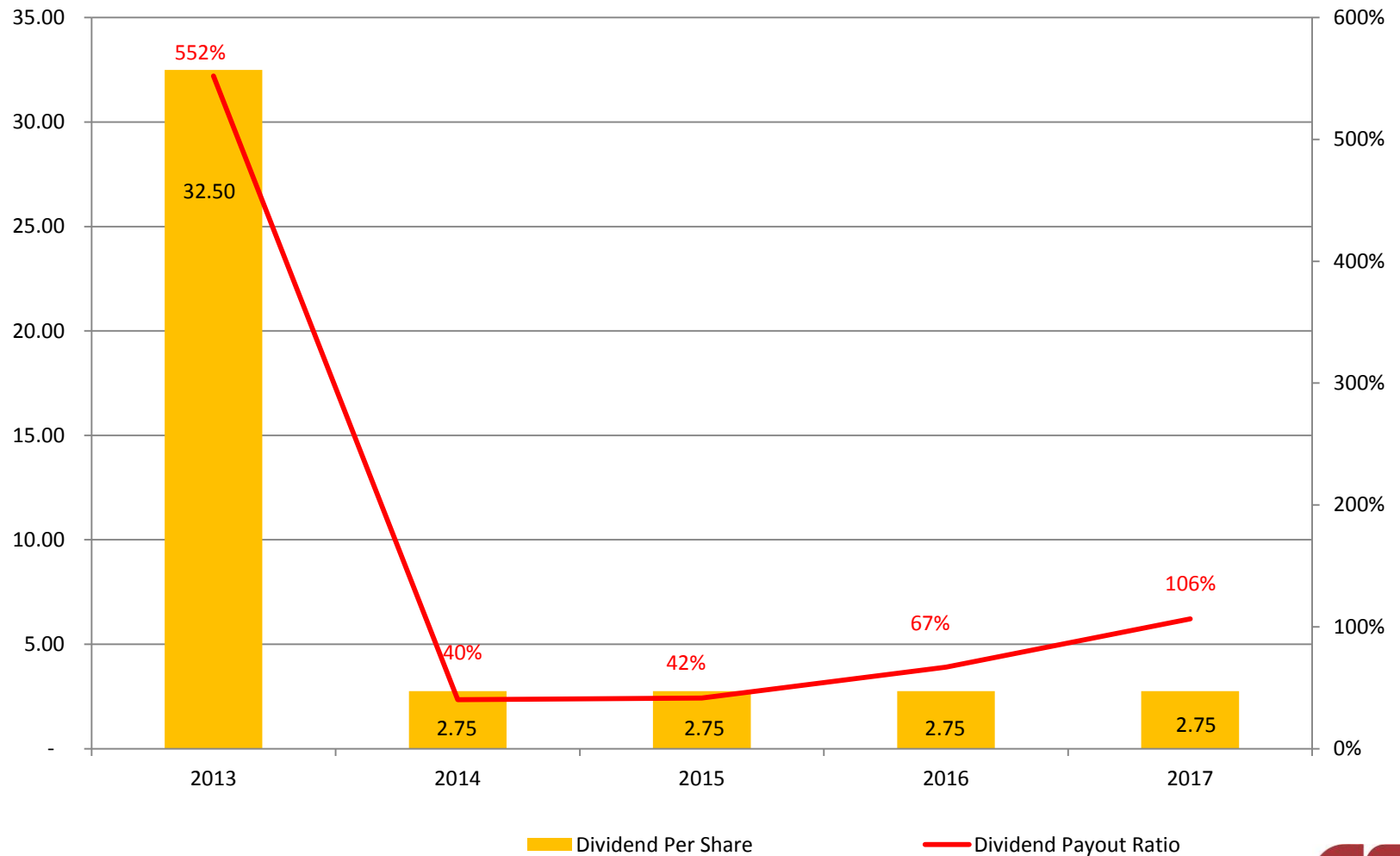
FY 2017 Group Balance Sheet

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

FY 2017 Group Cash Flow Statement

S\$m	FY 2017	FY 2016
As at beginning of the period	90.8	109.7
Net Operations	(1.6)	61.9
Interest income/(expense) and tax expenses	(4.8)	(3.5)
One-off settlement costs	(16.6)	-
Capital Expenditure (Net)	(7.9)	(6.8)
Quoted investment	6.0	(7.2)
Net additional investment in Subsidiaries & Associates	(8.5)	(14.4)
Bank Loans	10.4	(35.0)
Dividends	(14.2)	(14.2)
Net effect of FX on cash	(6.6)	0.2
As at end of period	46.9	90.8

Dividend



Dividends (Proposed)

	FY2015	FY2016	FY2017
Dividends (Cents):			
Interim	1.25	1.25	1.25
Special Interim	-	-	-
Final	1.25	1.50	1.00 [#]
Special	0.25	-	0.50 [#]
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			

Thank You

Questions & Answers