



CSE Global Limited AGM & EGM

27 May 2020

CSE Global



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Address by CEO

CSE Global

Corporate Profile

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



Geographical Presence

- 12 countries, 41 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

Financial Highlights

Revenue

S\$452m

▲ 21%

Order intake

S\$579m

▲ 52%

EBIT

S\$32m

▲ 12%

Order Book

S\$307m

▲ 71%

Net Profit

S\$24m

▲ 20%

Return on Equity

13.6%

▲ 1.9pp

1. Excludes exceptional items.

Strong CashFlow & Balance Sheet

BALANCE SHEET

FLEXIBILITY IN BALANCE SHEET

S\$45m

Net Debt

0.25x

Net gearing ratio

SHAREHOLDERS' EQUITY

S\$176m

CASHFLOW FROM OPERATIONS

S\$18m

Strong Cashflow

DIVIDENDS

Maintained ordinary dividends

S\$0.0275/share

Total dividends paid

S\$14m

FY2019 Financial & Business Overview

General Sentiments

FY2019 overall an outstanding result, markets remains cautious



Positives

- Strong growth in net profit(+60.1%) in 4Q19, full year net profit growth +19.6%
- Gross margins are stable at around 27%
- Positive operating cash flow of S\$18.0 million
- Strong order intake of S\$578.8 million

Negatives

- Net debt of S\$44.5m

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

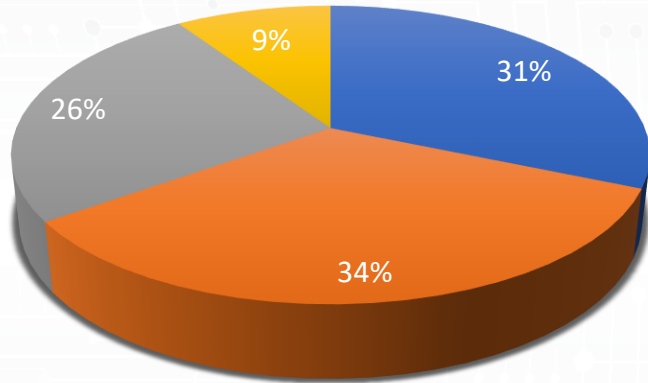


Mineral & Mining

- Stable stream of flow projects

FY2019 Revenue Breakdown By Industry Segments

FY2019



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

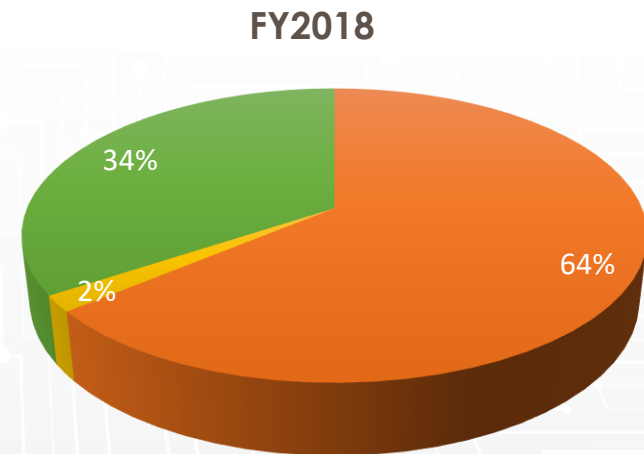
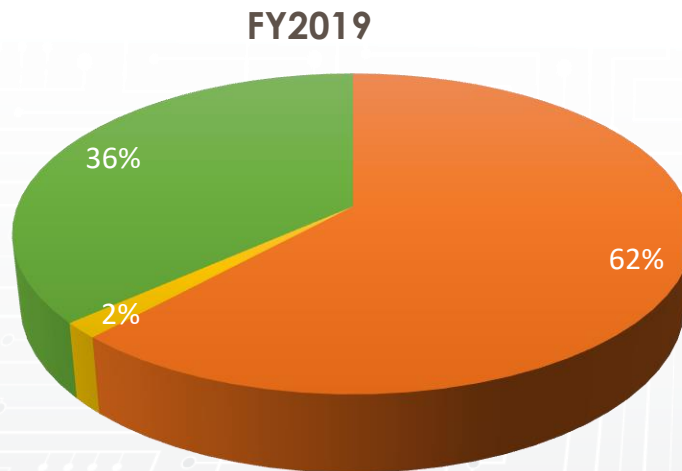
Infrastructure: Power, Water, Waste Treatment & Transportation

S\$ million	FY2019	FY2018	YoY%
Oil & Gas - Onshore	141.8	116.1	22.1%
Oil & Gas - Offshore	152.3	131.6	15.7%
Infrastructure	115.3	110.1	4.7%
Mining & Mineral	42.4	15.7	170.1%
Total	451.8	373.5	21.0%

Australia communication revenue:
 FY2019 S\$64.8m
 FY2018 S\$46.9m

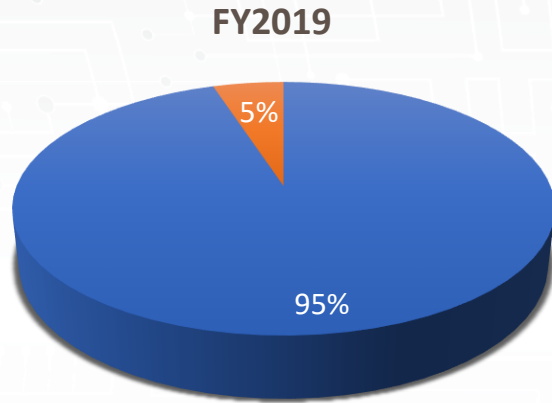
FY2019 Revenue Breakdown By Geographical Segments

S\$ million	FY 2019	FY 2018	YoY%
Americas	279.4	238.7	17.1%
EMEA	7.2	6.6	9.2%
Asia Pacific	165.1	128.2	28.8%
Total	451.8	373.5	21.0%



■ Americas ■ EMEA ■ Asia Pacific

FY2019 Revenue Breakdown By Projects



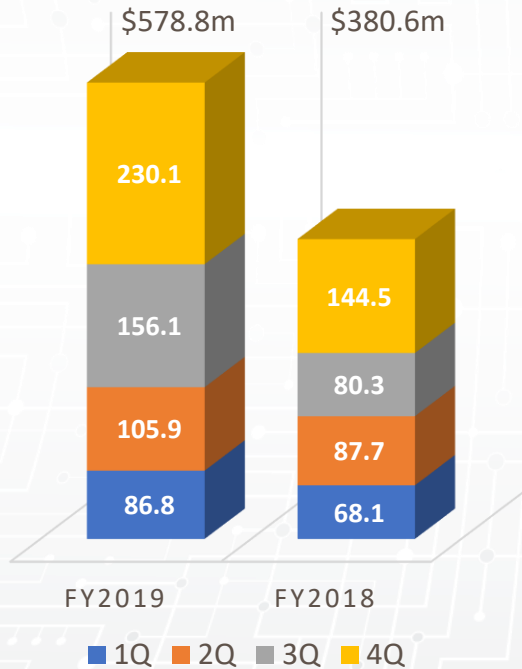
- Flow Business
- Large Greenfield Projects

S\$ million	FY2019	FY2018	YoY%
Flow Business*	426.1	344.8	23.6%
Large Greenfield Projects	25.7	28.7	-10.5%
Total	451.8	373.5	21.0%
Flow Business %	95%	92%	

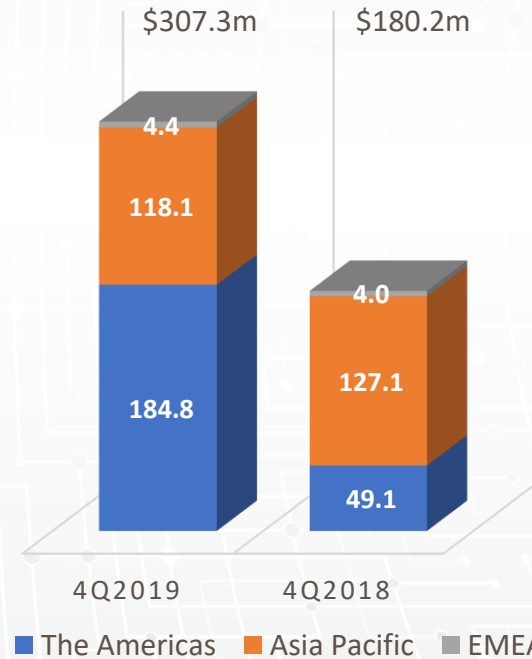
**Includes Brownfield and Small Greenfield Projects which tend to be recurring in nature*

2019 Order Intake/Book By Geographical Segments

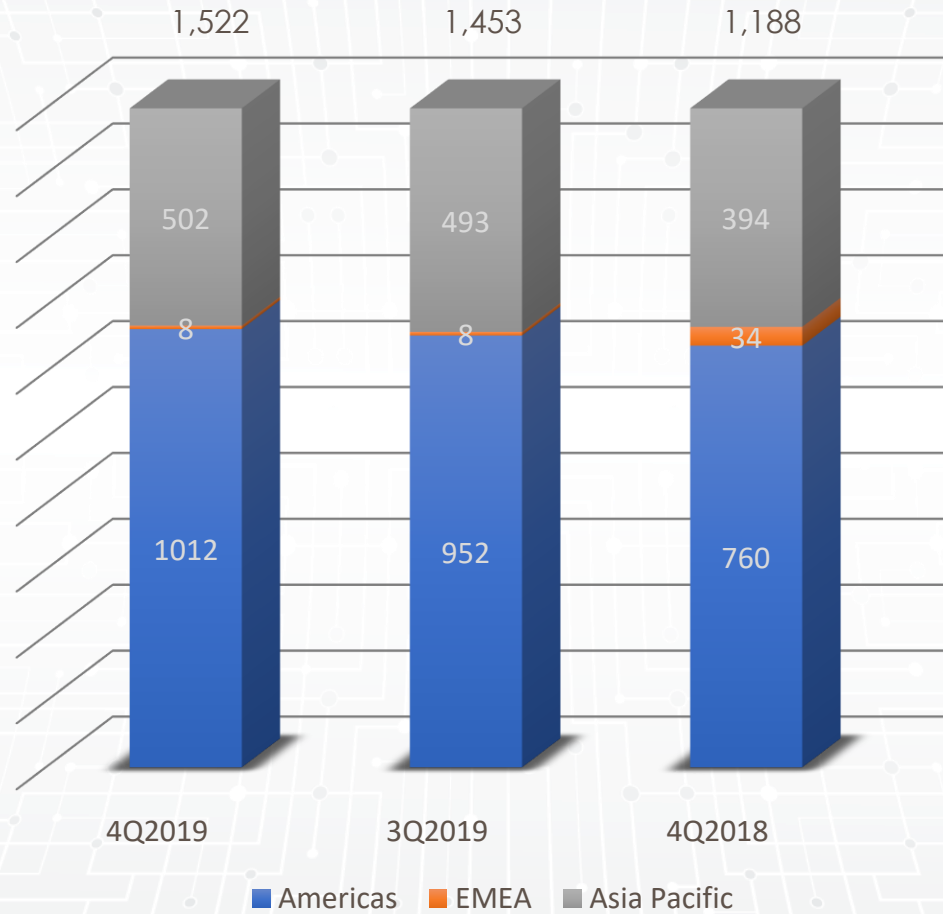
Order Intake from Continuing Operations



Order Book from Continuing Operations



Human Resources Allocation



Dividends (Proposed)

	FY2017	FY2018	FY2019
Dividends (Cents):			
Interim	1.25	1.25	1.25
Final	1.00	1.50	1.50#
Special	0.50	-	-
Total	2.75	2.75	2.75
Payment Date:	2 July 2020		
Book Closure:	15 June 2020		
AGM:	27 May 2020		
#: proposed and subject to approval at AGM			

- Most operations are deemed essential services
- Work from office and from home to support customers
 - inefficient but coping well
- Workforce mostly local, few migrant workers
 - little exposure
- Travel restrictions
 - sales effort negatively impacted
 - constrained in support for project where we do not have physical presence (little exposure)
- No material collectibility issues
- Minimal impact on operations in Q1 2020
- Future unknown as pandemic is evolving

Low Oil & Gas Prices

- No material project cancellation or delays for orders secured in order book
- No material collectibility issues – active monitoring
- Minimal impact on operations in Q1 2020
- Expect fewer opportunities and lower prices in new orders
- Remain committed to have a strong presence to support our customers in USA

Acquisitions

- Acquisition remains a key growth strategy
- Where?
 - Oil & gas segment and Infrastructure segment
 - USA, Europe and Australia/New Zealand
- Will acquire within means – No high gearing

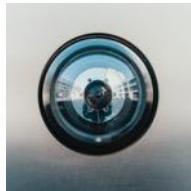
- Robust board with diversified industry experience and possesses the necessary competencies, expertise and knowledge to lead the Group
- Non-Executive Independent Directors constitute a majority of the Board, objectivity on Board's deliberations is assured
- All Board appointments are made on merit, in the context of gender, industry and business experience, skills and independence which the Board as a whole requires to be effective.
- The Board has started the progressive renewal of the Board to replace the Directors who had served beyond nine years and the board diversity has been considered in this renewal.

FY 2020 Key Strategies



Oil & Gas (Americas)

- Small greenfield projects / brownfield projects in the Gulf of Mexico
- Shale projects in the US (Permian Basin & Eagleford)
- Expand geographical coverage



Infrastructure (Singapore)

- Singapore Government
- Focus on security, transportation related projects

Infrastructure (Australia)

- Energy Solutions
- Radio Business



Infrastructure (International)

- Radio Business

FY 2020 Key Strategies

- Strengthen Core Flow Business
- Strengthen relationships with existing customers
- Pursue growth areas such as infrastructure solutions
- Pursue acquisitions
- Retain skilled workforce and capabilities
- Focus on cashflow management and generation
- Execute projects from order book

- Impact from Covid19, oil and gas prices and global economic outlook
- Expect to have some negative impact but unable to determine magnitude of impact accurately
- Q1 2020 order intake of S\$127m, order book of S\$302m

The background of the slide is a red-tinted image of a futuristic control room. In the center, there is a large, glowing globe surrounded by a wireframe grid. The walls are covered with various data screens and charts. In the foreground, there is a large, round table with several office chairs around it. The overall atmosphere is high-tech and professional.

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Questions & Answers