

PRESS RELEASE

Interim Business Updates – 3Q20

- Revenue was 5.7% year-on-year (“yoy”) growth at S\$117.9 million
- Net profit of S\$5.1 million with stable gross margin
- Strong cash flow from operations of S\$12.1 million due to better working capital management
- Lower order intake of S\$91.0 million
- Robust order book of S\$267.0 million as at 30 September 2020

Singapore, 11 November 2020 – CSE Global Limited (“CSE” or the “Group”) announced today its interim business updates for the third quarter ended 30 September 2020 (“3Q20”).

Financial Highlights

S\$'000	2020 3Q	2019 3Q	Change	2020 9M	2019 9M	Change
Revenue	117,859	111,453	5.7%	373,434	295,168	26.5%
Earnings before interest and tax (“EBIT”)	7,793	6,987	11.5%	27,324	21,132	29.3%
Net profit	5,061	5,728	-11.6%	20,151	15,946	26.4%
Net cash generated from operations	12,079	14,570	-17.1%	45,997	20,761	121.6%
New orders received	91,028	156,139	-41.7%	333,100	348,780	-4.5%
Outstanding orders	266,971	232,638	14.8%	266,971	232,638	14.8%

The Group’s revenue grew moderately by 5.7% to S\$117.9 million, mainly due to revenues recognition from large oil and gas revenues secured in 2019 in the Americas regions, supported by contributions from new acquisitions partially offsetted by lower flow revenues from base business.

In line with the growth in revenue, supported by stable gross margin, the Group recorded a 11.5% year-on-year growth in EBIT to S\$7.8 million in 3Q20.

Net profit, however, decreased by 11.6% year-on-year, mainly contributed by a non-recurring divestment gain of its former subsidiary, S3ID Group, of S\$0.7 million in 3Q19 and higher effective tax rate levels in 3Q20.

Order intake in 3Q20 decreased by 41.7% to S\$91.0 million as compared to 3Q19 of S\$156.1 million as a result of lower orders in oil & gas segment as well as from the impact of a one-off adjustment of order intake in 3Q19 due to consolidation of Volta’s order book, which was acquired at end of Aug 2019. As at end of the quarter, the order book stood at S\$267.0 million, registering a 14.8% growth over 3Q19 of S\$232.6 million.

For 3Q20, the Group generated a cash inflow from operations of S\$12.1 million. The Group lowered its net debt position to S\$29.9 million as at end of September 2020, compared to FY19 of S\$44.5 million due to better working capital management.

Commenting on the Group’s results, Mr. Lim Boon Kheng, Group Managing Director of CSE, said, “We are pleased to report a commendable set of results on the back of the growth in our key markets. However, the current market environment still presents numerous uncertainties going forward: COVID-

19 pandemic, low oil & gas prices and weak global economic outlook. CSE expects to have some negative impact from the flow business, which is mitigated by the contributions from the two acquisitions made in 2019. Hence, the Group remains confident to achieve financial performance for FY2020 similar to FY2019.”

End of Release

About CSE Global Limited (“CSE”):

Listed on Singapore Exchange since 1999, CSE Global Limited is a global technologies company with an international presence spanning the Americas, Asia Pacific, Europe, Middle East and Africa. The Group has now more than 1,400 employees worldwide, and operates a network of 41 offices across the globe, generating more than 85 percent of its revenues outside its home market. In line with global ambitions, the Group has adopted the ISO 9001 Quality Management System as certified by Lloyd’s Register Quality Assurance (LRQA) and DNV. The CSE Group of companies has been very successful in offering cost-effective, totally integrated solutions to industries in the Oil & Gas, Infrastructure and Mining sectors. CSE has a consistent profit track and a management that is focused on operational excellence to achieve sustainable profit growth and enhance shareholder returns.

For more information, please log onto: <http://www.cse-global.com>

Media & Investor Contact Information:

Financial PR Pte Ltd
Ngo Yit Sung / Yong Jing Wen
Tel: (65) 6438 2990
Email: yitsung@financialpr.com.sg / jingwen@financialpr.com.sg