CSE Global Limited
Interim Business Update

11 November 2020

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3Q20 Financial Highlights

Revenue

S$117.9m ▲5.7%

Net Profit

S$5.1m ▼11.6%

Cashflow from Operations

S$12.1m ▼17.1%

Order Intake

S$91.0m ▼41.7%

Order Book

S$267.0m ▲14.8%

Return on Equity

11.2% ▼2.2pp

9M20 Financial Highlights

Revenue

S$373.4m ▲26.5%

Order Intake

S$333.1m ▼4.5%

Net Profit

S$20.2m ▲26.4%

Order Book

S$267.0m ▲14.8%

Cashflow from Operations

S$46.0m ▲121.6%

Return on Equity

14.9% ▲2.4pp

Summary Financials

S$ million	3Q20	3Q19	Change	9M20	9M19	Change
Revenue	117.9	111.5	5.7%	373.4	295.2	26.5%
EBIT	7.8	7.0	11.5%	27.3	21.1	29.3%
Net Profit attributable to equity owners of company	5.1	5.7	-11.6%	20.2	15.9	26.4%
EBIT margin (%)	6.6%	6.3%	+0.3pp	7.3%	7.2%	+0.2pp
Net margin (%)	4.3%	5.1%	-0.8pp	5.4%	5.4%	-0.0pp
Operating cash flow from operations	12.1	14.6	-17.1%	46.0	20.8	121.6%
Net Cash/(debt)	(29.9)	(45.7)	-34.7%	(29.9)	(45.7)	-34.7%
Order intake -continuing operations	91.0	156.1	-41.7%	333.1	348.8	-4.5%
Order book - continuing operations	267.0	232.6	14.8%	267.0	232.6	14.8%
ROE (annualised)	11.2%	13.4%	-2.2pp	14.9%	12.5%	+2.4pp

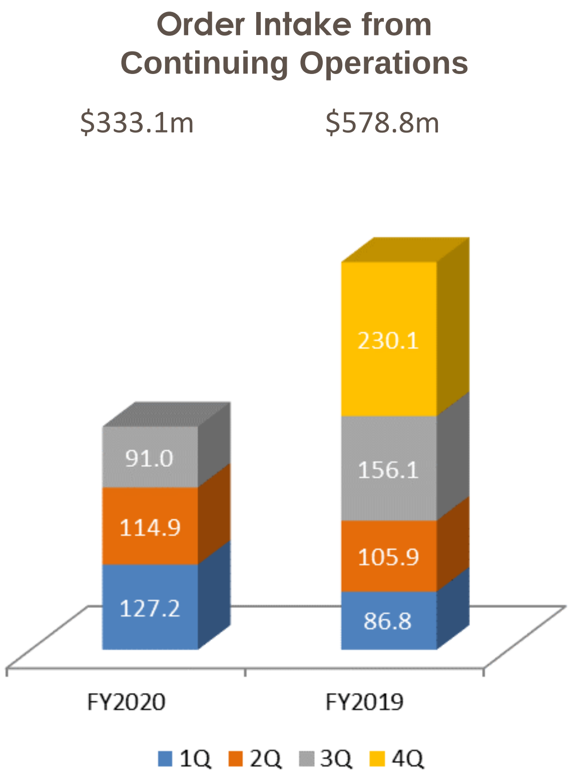
3Q20 Business Overview

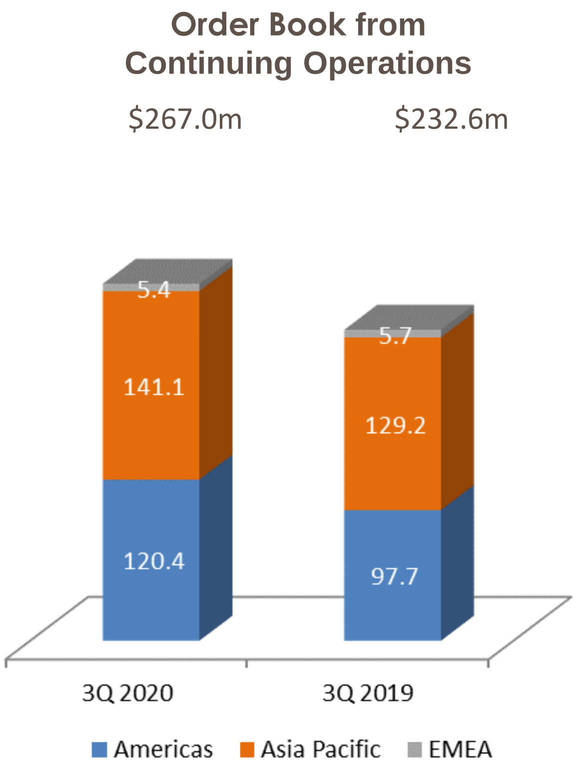
- Revenue: +5.7% year-on-year growth due to:
  - recognition of large O&G revenues
  - incremental flow revenues from new acquisitions
  - reduction in base business flow revenues
- EBIT was 11.5% higher due to growth in revenues with stable gross profit/opex margins
- Net profit was 11.6% lower due to a non-recurring divestment gain of S$0.7m in 3Q19 and higher effective tax rate levels in 3Q20
- Decline in order intake by 41.7% to S$91.0m as a result of lower orders in oil & gas segment as well as from the impact of one-off adjustment of order intake in 3Q19 due to consolidation of Volta's order book towards end of Aug 2019
- Robust Order Book of S$267.0m at end of 3Q20
- Strong cashflow from operations of S$12.1m due to better working capital management
- Lowered its net debt position to S$29.9m, compared to FY19 of S$44.5m. Net gearing reduced to 0.17x

9M20 Business Overview

- Revenue: +26.5% year-on-year growth mainly due to:
  - recognition of large O&G revenues
  - Incremental flow revenues from new acquisitions
  - Reduction in base business flow revenues
- EBIT was 29.3% higher due to growth in revenues with stable gross profit/opex margins
- Net profit was 26.4% higher at S$20.2m
- Decrease in order intake by 4.5% to S$333.1m as a result of lower orders in Oil & Gas segment but partially offsetted by growth in orders for both Infrastructure and Mining segments.
- Robust Order Book of S$267.0m at end of 9M20
- Strong cashflow from operations of S$46.0m due to better working capital management
- Lowered its net debt position to S$29.9m, compared to FY19 of S$44.5m. Net gearing reduced to 0.17x

Order Intake/Book By Geographical Segments





3M/9M Order Intake By Industry Segments

S$ million	3Q20 Order Intake	3Q19 Order Intake	9M20 Order Intake	9M19 Order Intake
Oil & Gas	48.4	117.0	190.1	242.3
Infrastructure	30.3	25.1	94.0	74.1
Mining & Mineral	12.3	14.0	49.1	32.3
Total	**91.0**	**156.1**	**333.1**	**348.8**

Note: Total may not sum up due to rounding.

Order Book By Industry Segments

S$ million	3Q20	2Q20	1Q20	4Q19	3Q19	2Q19	1Q19
Oil & Gas	118.5	144.9	173.1	182.9	95.4	49.2	52.0
Infrastructure	127.7	125.6	114.1	112.9	126.6	131.1	126.5
Mining & Mineral	20.7	23.4	15.5	11.6	10.7	7.3	2.9
Total	**267.0**	**293.8**	**302.7**	**307.3**	**232.6**	**187.6**	**181.4**

Note: Total may not sum up due to rounding.

COVID-19

- 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 collectability issues
- Future unknown as pandemic is evolving

Low Oil & Gas Prices

- No material project cancellation or delays for orders secured in order book
- No material collectability issues – active monitoring
- 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

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

FY20 Key Strategies

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

FY20 Outlook

- Numerous uncertainties going forward from impact of Covid-19 pandemic, low oil and gas prices and weak global economic outlook

- 9M 2020 order intake of S$333.1m, order book of S$267.0m, anticipates to continue to receive new orders going forward

- Expects to have some negative impact from the flow business, which is mitigated by the contributions from the two acquisitions made in 2019. The Group remains confident to achieve financial performance for FY2020 similar to FY2019.

Mitigating Factors to Pandemic/Low Oil Prices

- Provider of essential services, continue to strengthen customer relationships
- Continue to focus on brownfield and maintenance orders and increase share of non-O&G business
- Optimisation of cost structures through productivity improvement and efficiency initiatives
- Robust order book of S$267.0m