

## NEWS RELEASE

### CSE Global reports net profit of S\$15.0 million on the back of S\$468.7 million in revenue for FY2021

- Asia Pacific and EMEA regions record year-on-year revenue growth
- Decline in large project revenues and lower time and material revenues in the Americas region, resulting in 6.8% y-o-y drop in FY2021 revenue
- Order intake increased by 7.1% to S\$462.1 million in FY21, mainly due to a 23.8% year-on-year growth in new orders for the Group's Infrastructure sector
- Recommends final one-tier tax-exempt dividend of 1.50 Singapore cents per ordinary share

Group Financial Highlights						
S\$'000	2H2021	2H2020	Change	FY2021	FY2020	Change
Revenue	234,206	247,214	-5.3%	468,661	502,789	-6.8%
Gross profit	65,871	68,762	-4.2%	135,877	146,199	-7.1%
Gross margin (%)	28.1%	27.8%	+0.3pp	29.0%	29.1%	-0.1pp
Operating expenses	58,119	47,875	21.4%	115,740	109,404	5.8%
EBITDA	19,226	29,847	-35.6%	42,789	58,434	-26.8%
Net profit	4,932	12,913	-61.8%	15,003	28,004	-46.4%
Net cash generated from operations	21,177	14,517	45.9%	36,288	48,476	-25.1%
New orders received	251,510	189,413	32.8%	462,065	431,484	7.1%
Outstanding orders	229,401	235,998	-2.8%	229,401	235,998	-2.8%

**Singapore, 28 February 2022** – CSE Global Limited (“CSE Global” or the “Group”), a global technologies company, announced today net profit of S\$15.0 million on the back of S\$468.7 million in revenue for the full year ended 31 December 2021 (“FY2021”).

Revenue decreased by 6.8% year-on-year from S\$502.8 million in the previous corresponding period (“FY2020”), mainly due to a decline in large project revenues and lower time and material revenues in the Americas region – which was impacted by the Covid-19 pandemic, the severe winter in the first quarter, as well as volatile energy prices. Meanwhile, this was mitigated by promising growth in the Asia Pacific and EMEA regions as various cities within these economies commenced with the re-opening of their borders.

**Mr Lim Boon Kheng, Group Managing Director of CSE Global, said,** “Our FY2021 results reflect the ongoing supply chain challenges and volatile economic backdrop we face. That said, we remain profitable with a healthy cash position. We have managed to grow our new orders to S\$462.1 million in FY2021, 7.1% more than S\$431.5 million a year ago despite the difficult operating landscape.”

“In addition, I am pleased to announce that CSE Global secured another S\$78.1 million of large projects in the first two months of 2022 in the Americas region. Hopefully, this signals a positive step towards the return of large greenfield projects, whilst also reinforcing our market-leading position as a trusted and reliable partner to our customers.”

The Board of Directors has recommended a one-tier tax-exempt interim dividend of 1.50 Singapore cents per ordinary share for 2H2021. Together with the dividend of 1.25 Singapore cents per ordinary share paid in 1H2021, this brings the total dividend payout to 2.75 Singapore cents for the full year. The payment of the interim dividend will be on 18 May 2022.

## FY2021 Financial Review

In line with lower revenues, gross profit decreased by 7.1% to S\$135.9 million in FY2021, while gross margin remains relatively stable at 29.0%.

For FY2021, group operating expenses were 5.8% or S\$6.3 million higher year-on-year at S\$115.7 million mainly due to higher unabsorbed labour costs of S\$4.1 million, higher selling and distribution expenses of S\$1.2 million, depreciation expense of S\$1.3 million and IT expenses of S\$1.0 million.

EBITDA decreased by 26.8% to S\$42.8 million as compared to FY2020, mainly attributed to lower gross profits and higher operating expenses.

The Group recognised lower interest expenses of S\$0.6 million as compared to FY2020 due to an unrealised loss on derivative liability of S\$0.9 million which was recognised in FY2020. Consequently, net profit decreased by 46.4% year-on-year to S\$15.0 million in FY2021.

The Group generated a cash inflow from operations of S\$36.3 million in FY2021, compared to S\$48.5 million in FY2020. The Group's net debt position was S\$48.9 million as at 31 December 2021, after S\$8.1 million was incurred for business acquisitions in FY2021.

As at 31 December 2021, the Group's earnings per ordinary share ("**EPS**") was 2.93 Singapore cents, and cash and bank balances was S\$46.5 million.

## FY2021 Revenue Performance By Geography

Revenue by Geography (S\$'000)	FY2021	FY2020	Change
Americas	272,203	328,704	-17.2%
Asia Pacific	184,284	168,849	9.1%
EMEA	12,174	5,236	132.5%
<b>Total</b>	<b>468,661</b>	<b>502,789</b>	<b>-6.8%</b>

In FY2021, the geographical regions of the Americas, Asia Pacific and Europe/Middle East/Africa ("**EMEA**") contributed 58.1%, 39.3% and 2.6% to revenue respectively.

The Americas region registered a 17.2% decline in revenue for FY2021 to S\$272.2 million, mainly due to a decline in large project revenues and lower time and material revenues in the Americas region impacted by Covid-19 pandemic and uncertainty in energy prices.

The Asia Pacific region recorded revenue of S\$184.3 million, a moderate growth of 9.1% mainly due to higher recognition of revenue from infrastructure projects in Australia.

The EMEA region registered a 132.5% increase in revenues to S\$12.2 million mainly due to contributions from new acquisitions in United Kingdom.

## Operational Update

Order Intake by Industry Sector (S\$'000)	FY2021	FY2020	Change
Energy	265,680	253,109	5.0%
Infrastructure	147,721	119,305	23.8%
Mining & Minerals	48,664	59,070	-17.6%
<b>Total</b>	<b>462,065</b>	<b>431,484</b>	<b>7.1%</b>

Order intake for FY2021 increased by 7.1% to S\$462.1 million, mainly due to a 23.8% year-on-year growth in new orders for the Group's Infrastructure sector to S\$147.7 million, which was attributed to higher orders of radio communication equipment and solutions, mainly driven by utility and government customers in Australia.

Similarly, orders in the Energy sector increased by 5.0% year-on-year due to recovery in Energy sector orders with higher time and material jobs coupled with newly awarded power and electrification projects.

The Mining & Minerals Sector clinched S\$48.7 million worth of new orders in FY2021, as compared to S\$59.1 million in FY2020, due to some of the larger greenfield mining projects in Australia secured in 2020 not repeated in 2021.

The Group's order book stands at S\$229.4 million as at 31 December 2021.

## Outlook

The current COVID-19 pandemic and global economic outlook which is impacted by supply chain disruptions and travel restrictions continue to present uncertainties in the markets the Group operates in. The Group's customers in the Energy sector exercised financial prudence and discipline, resulting in fewer large greenfield projects in the last quarter of FY2021. This trend is expected to continue in the coming months, which coupled with higher operating and sales costs, will continue to weigh on the Group's financial performance in the Americas region in the first half of the financial year ended 31 December 2022 ("FY2022"). The situation is expected to improve in the second half of FY2022.

The recent surge in oil prices caused in part by the current situation in Ukraine will present additional opportunities for our Americas operations as our customers are likely to increase their investments. This remains uncertain at the moment and we will pursue these opportunities when they arise.

The Group continues to see stable financial performance in the Infrastructure and Mining & Minerals sectors, supported by a steady stream of projects arising from requirements in digitalisation and enhancements in physical and cyber security. Consequently, CSE Global remains confident to achieve a better financial performance in FY2022.

"Moving forward, we intend to expand our engineering capabilities and technology solutions to pursue new market opportunities by diversifying into new areas – such as renewables and building automation – buoyed by the global emerging trends of urbanisation, electrification and decarbonisation," concluded Mr Lim.

### End of Release ###

### **About CSE Global Limited (“CSE Global”)**

At CSE Global, we pride ourselves as a trusted, lifelong partner to our customers who always has their interests at heart. Leveraging our engineering experience, technology and diverse skill sets across our global network, we design and build customised, integrated systems for our clients that solve their problems.

Our integrated systems – from intelligent transport to smart lighting or energy management systems – sit at the heart of every infrastructure and are critical in nature. With highly attuned engineering capabilities at our core, we have successfully delivered complex, large-scale projects amidst the most challenging conditions. Our technologies are designed to reduce waste, allow for greener, smarter processes and are built to last.

Listed on the Singapore Exchange since 1999 and with our presence across 16 countries, 45 offices, and more than 1,400 employees across the globe, we enjoy long-standing relationships with a sizeable customer base comprising large government organisations and renowned brands across the Energy, Infrastructure, and Mining & Minerals sectors.

Over the years, we have built a workplace culture and management style that is people-centric, supportive and collaborative with employee well-being and people improvement as our key focus. Our passion for our work has resulted in a consistent profit track for the past three decades, as we continue to pursue operational excellence to achieve sustainable growth and enhanced shareholder returns.

CSE Global – Customer Satisfaction Everytime.

Visit [www.cseglobal.com](http://www.cseglobal.com) for more information.

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