



3Q & 9M2018 Results Briefing

CSE Global Limited

Fullerton Hotel
8 November 2018

1. Address by CEO
2. Financial Performance by CFO
3. Q & A

Address by CEO

- 3Q2018 overall a good result, markets remains cautious

Positives

- Gross margins are stable at around 27%.
- Strong improvement in net profitability
- Strong positive operating cash flow +S\$25m
- Stable order intake of S\$81m

Negatives

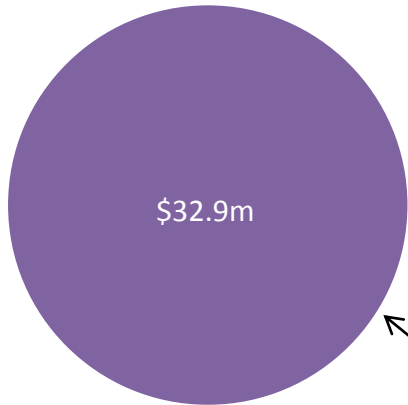
- The lull in large greenfield projects continue

Positive momentum for the rest of FY2018:

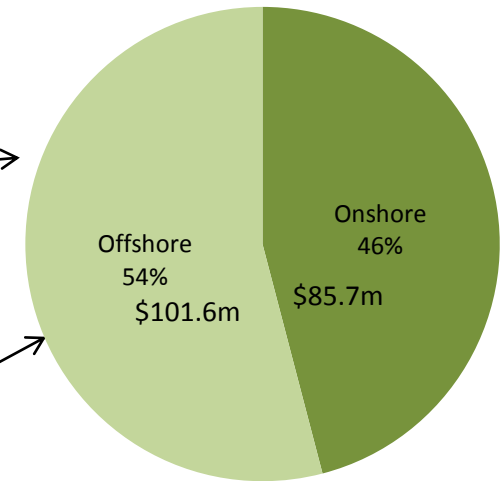
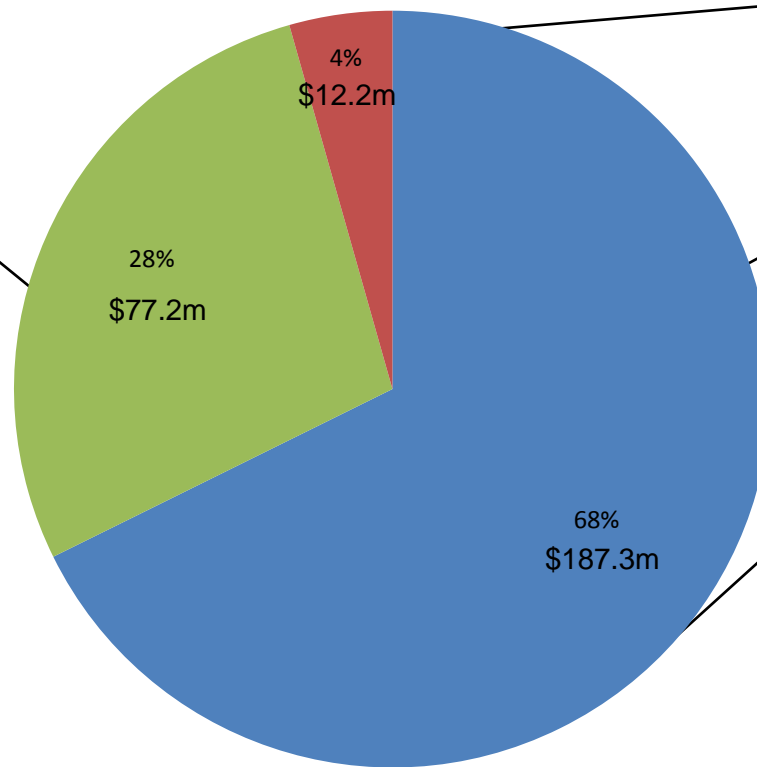
- Oil & gas
 - steady inflow of small greenfield and brownfield for both onshore and offshore
 - no FID for large greenfield targeted imminent, no order expected
- Infrastructure
 - steady inflow of small greenfield and brownfield
 - still working on opportunities
- Mining & Mineral
 - steady inflow of small greenfield and brownfield

Further Information on 9M2018 Revenue

Communication Australia



\$276.7m



Oil & Gas

Infrastructure

Mining & Mineral








- 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

Summary








- The current improvement in oil and gas and commodity prices has not translated into significant investments in large greenfield projects in the markets that we operate. Customers remain focused on cost control and cashflow generation. That notwithstanding, we continue to see a steady flow of smaller projects in US and Australia.
- The Group will continue to focus on its profitability and gross margins by supporting and servicing its existing installed base of customers more closely. At the same time, it is actively exploring acquisition opportunities in the market.
- Looking ahead, CSE expects its operating net profit for the current financial year to be better than FY2017.

Financial Performance by CFO

3Q 2018 Financial Overview

Revenue	 Grew by 8.0% to S\$92.4m
Gross Margin	 Increased to 27.5% from 25.1% in 3Q17, higher than FY2017 of 26.0%
EBIT	 Rose by 35.5% to S\$6.4m compared to S\$4.7m in 3Q17
PATNCI	 Soared by 67.0% to S\$5.0m from S\$3.0m in 3Q17
EPS (basic)	 0.99 cents per share compared to 0.58 cents per share in 3Q17
Order intake	 6.4% lower in new orders of S\$80.9m vs 3Q17 of S\$86.4m
ROE	 12.2% annualised

9M 2018 Financial Overview

Revenue	 Grew by 12.6% to S\$276.7m
Gross Margin	 Increased to 27.1% from 26.5% in 9M17, higher than FY2017 of 26%
EBIT	 Rose by 48.2% to S\$19.4m compared to S\$13.1m in 9M17
PATNCI	 Increased to S\$15.0m from S\$9.0m in 9M17
EPS (basic)	 2.96 cents per share compared to (1.52) cents per share in 9M17
Order intake	 19.0% lower in new orders of S\$239.0m
ROE	 12.2% annualised in 9M18

9M 2018 Financial Overview

Financial Position & Cashflow

- Cash inflow from operations of S\$24.8m in 3Q18 and S\$47.4m in 9M18, mainly due to higher collections from trade receivables.
- Net Cash of S\$34.4m at 3Q18 vs S\$20.9m at 1H18 vs S\$15.5m at 4Q17.
- Equity attributable to owners of the Company were S\$164.2m at 30 September 2018 vs S\$166.6m at 31 Dec 2017
- NAV per share at 30 September 2018 was at 32.26 cents vs 33.71 cents at 31 Dec 2017

Summary Financials 3Q/9M 2018 vs 2017

S\$m	3Q 2018	3Q 2017	Change	9M 2018	9M 2017	Change
Revenue	92.4	85.6	8.0%	276.7	245.6	12.6%
Gross Profit	25.4	21.5	18.1%	74.9	65.2	14.9%
Operating expenses	18.9	20.2	-6.6%	57.1	56.3	1.3%
Operating profit	6.5	1.3	410.4%	17.8	8.8	101.6%
EBIT	6.4	4.7	35.5%	19.4	13.1	48.2%
Operating PATNCI	5.0	3.0	67.0%	15.0	9.0	67.0%
Profit attributable to shareholders	5.0	3.0	67.0%	15.0	-7.8	-291.9%
Gross margin (%)	27.5%	25.1%	9.4%	27.1%	26.5%	2.0%
EBIT margin (%)	7.0%	5.5%	25.5%	7.0%	5.3%	31.6%
Net margin from continuing operations (%)	5.4%	3.5%	54.7%	5.4%	3.7%	48.2%
Operating cash flow from operations	24.8	6.2	299.1%	47.4	0.5	8767.6%
Net Cash/(loan)	34.4	20.6	67.1%	34.4	20.6	67.1%
Net gearing (%)	-	-		-	-	
Order intake	80.9	86.4	-6.4%	239.0	295.0	-19.0%
Order book/backlog	136.5	207.6	-34.2%	136.5	207.6	-34.2%
ROE (annualised) (note: 2017 figures are normalised)	12.2	7.6	460bps	12.2	7.6	460bps

3Q & 9M 2018 FX Movement

	3Q 2018	3Q 2017	Variance (%)	9M 2018	9M 2017	Variance (%)
USD/SGD:	1.3656	1.3652	0.03%	1.3384	1.3949	-4.05%
GBP/SGD:	1.7862	1.7735	0.72%	1.8136	1.7720	2.35%
AUD/SGD:	1.0031	1.0746	-6.66%	1.0179	1.0631	-4.25%

3Q & 9M 2018 Constant Currency

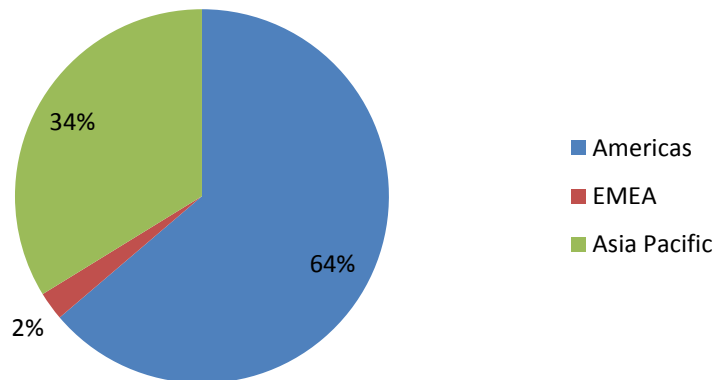
S\$M	3Q 2018	3Q 2017	Variance (%)	3Q 2018 Constant Currency	Variance (%)
Revenue:	92.4	85.6	8.0%	96.6	12.9%
PATMI:	5.0	3.0	67.0%	5.1	71.0%

S\$M	9M 2018	9M 2017	Variance (%)	9M 2018 Constant Currency	Variance (%)
Revenue:	276.7	245.6	12.6%	287.5	17.1%
PATMI:	15.0	9.0	67.0%	15.5	72.0%

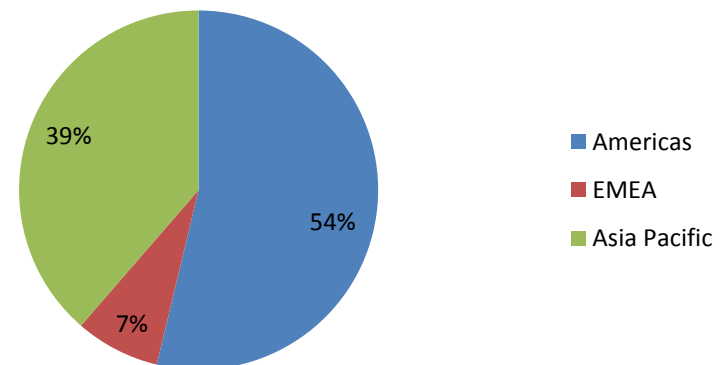
Revenue by Geographical Region - 9M 2018

S\$m	9M 2018	9M 2017	Var %
Americas	176.4	132.0	33.6%
EMEA	6.8	18.7	-63.6%
Asia Pacific	93.4	94.9	-1.5%
Total	276.7	245.6	12.6%

9M 2018

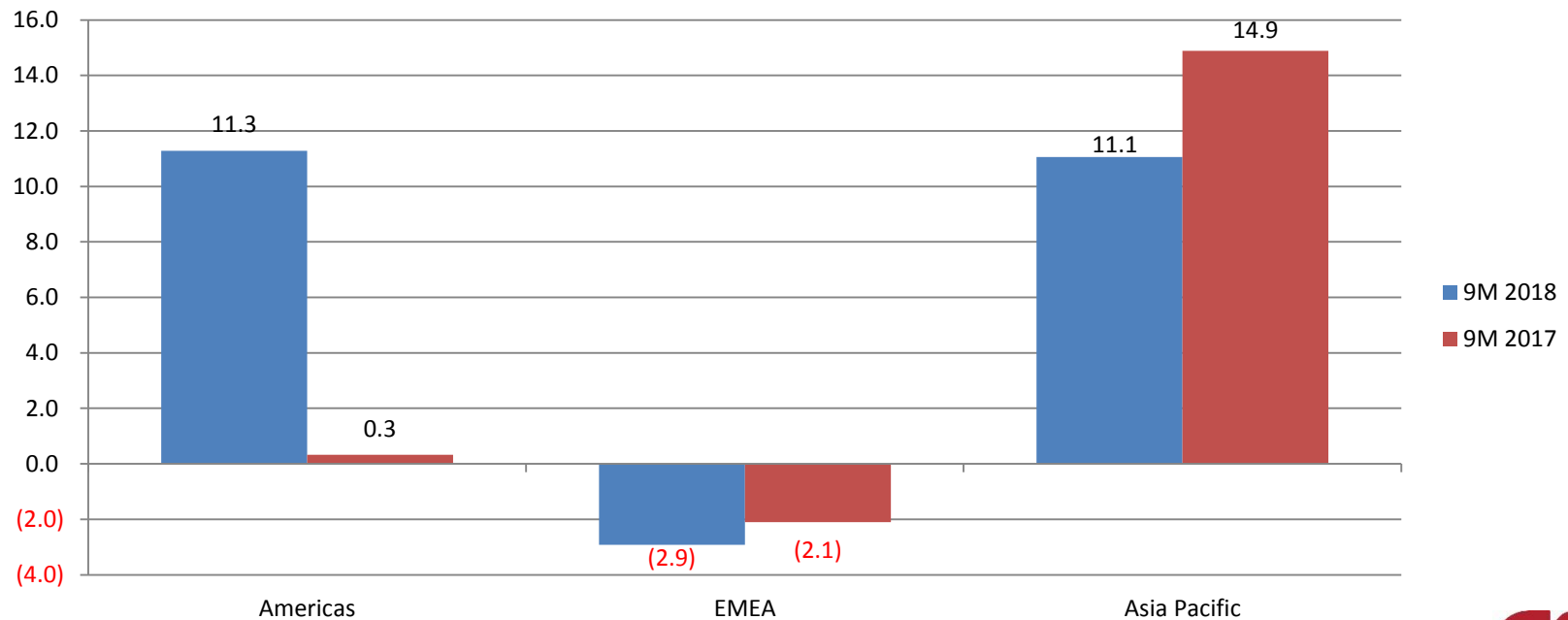


9M 2017



EBIT by Geographical Region - 9M 2018

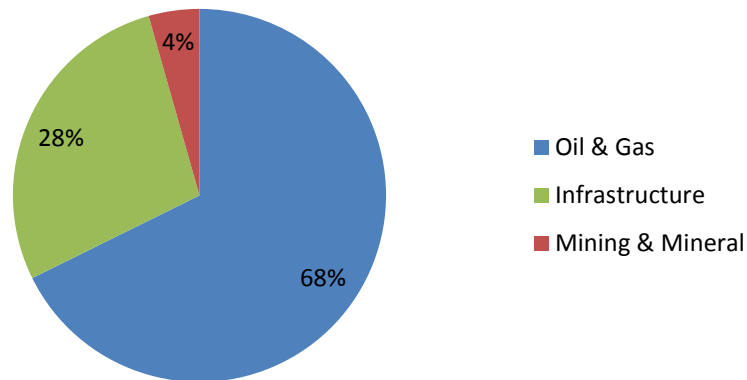
S\$m	9M 2018	9M 2017	Var %
Americas	11.3	0.3	3365.5%
EMEA	(2.9)	(2.1)	-39.0%
Asia Pacific	11.1	14.9	-25.7%
Total	19.4	13.1	48.2%



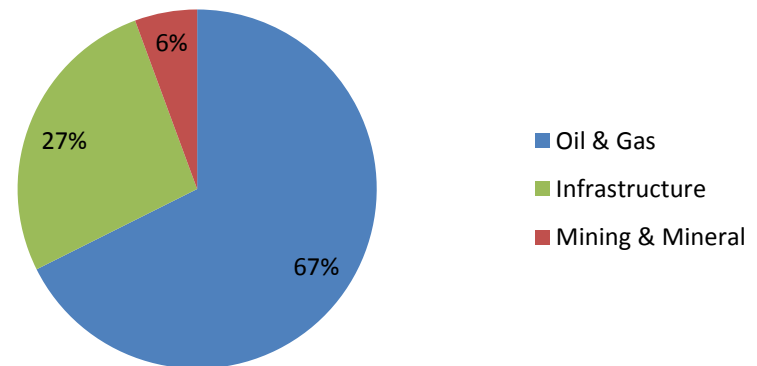
Revenue by Industry - 9M 2018

S\$m	9M 2018	9M 2017	Var %
Oil & Gas	187.3	166.1	12.8%
Infrastructure	77.2	65.7	17.5%
Mining & Mineral	12.2	13.8	-11.9%
Total	276.7	245.6	12.6%

9M 2018



9M 2017



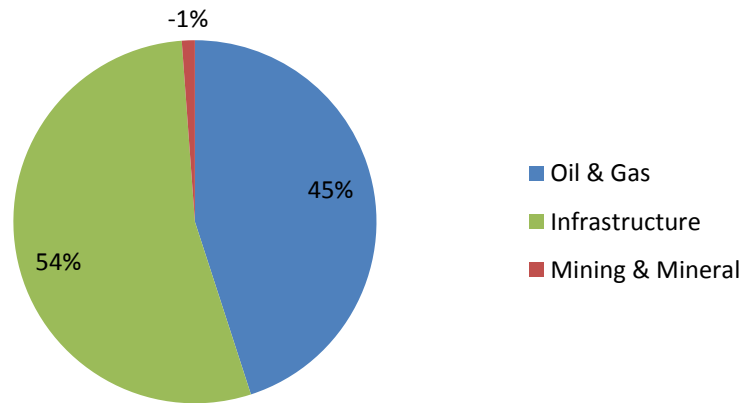
Infrastructure: Power, Water, Waste Treatment & Transportation



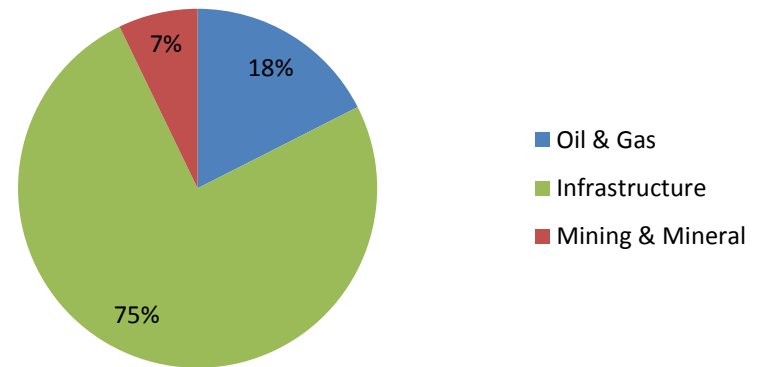
EBIT by Industry - 9M 2018

S\$m	9M 2018	9M 2017	Var %
Oil & Gas	9.0	2.3	289.6%
Infrastructure	10.7	9.9	8.5%
Mining & Mineral	-0.2	0.9	-124.5%
Total	19.4	13.1	48.2%

9M 2018



9M 2017



Infrastructure: Power, Water, Waste Treatment & Transportation



Revenue by Geographical Region - Qtrly Trends

S\$m	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Americas	55.8	58.6	62.1	74.2	53.9	40.9	37.2
EMEA	2.5	2.9	1.4	4.8	1.6	8.3	8.8
Asia Pacific	34.1	30.7	28.7	37.8	30.1	36.3	28.5
Total	92.4	92.1	92.2	116.7	85.6	85.5	74.5

Revenue by Industry - Qtrly Trends

S\$m	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Oil & Gas	58.9	62.5	65.9	80.1	59.4	53.2	53.5
Infrastructure	27.6	26.0	23.7	24.7	23.4	23.3	19.1
Mining & Mineral	5.9	3.7	2.6	11.9	2.7	9.1	2.0
Total	92.4	92.1	92.2	116.7	85.6	85.5	74.5

FY 2018/17 Group Balance Sheet

S\$M	30-Sep-18	31-Dec-17
Cash at Hand & Bank	56.1	46.9
Quoted Investments	1.3	1.3
Work in Progress (Net)	24.7	51.9
Inventories	17.5	14.6
Trade Receivable	64.8	73.5
Other Receivable	17.1	17.1
Trade Payable	49.6	60.8
Net Current Assets	106.5	111.9
Loan	21.7	31.4
Net Cash/(loan)	34.4	15.5
Shareholder Fund	164.2	166.6

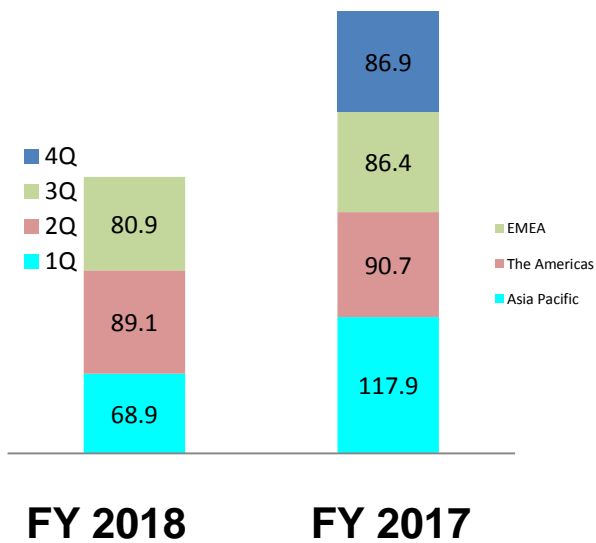
3Q & 9M 2018 Group Cash Flow Statement

S\$m	Q3 2018	Q3 2017	9M 2018	9M 2017
As at beginning of the period	54.1	53.9	46.9	90.8
Net Operations	24.8	6.2	47.4	0.5
Interest and tax expenses	0.3	(1.4)	(4.9)	(4.9)
Exceptional settlement	-	(16.6)	-	(16.6)
Capital Expenditure (Net)	(3.0)	(1.3)	(4.9)	(6.7)
Quoted investments	-	8.1	-	6.0
Cash consideration paid for net of cash assets & business acquired	(0.2)	-	(1.2)	(8.2)
Bank Loans	(11.5)	8.1	(9.7)	6.2
Purchase of treasury shares	(1.9)	-	(3.3)	-
Dividends	(6.4)	(6.5)	(14.2)	(14.2)
Net effect of FX on cash	(0.2)	(3.1)	0.1	(5.5)
As at end of period	56.1	47.4	56.1	47.4

3Q/ FY 2018 Orders

New orders

\$239.0m \$381.9m

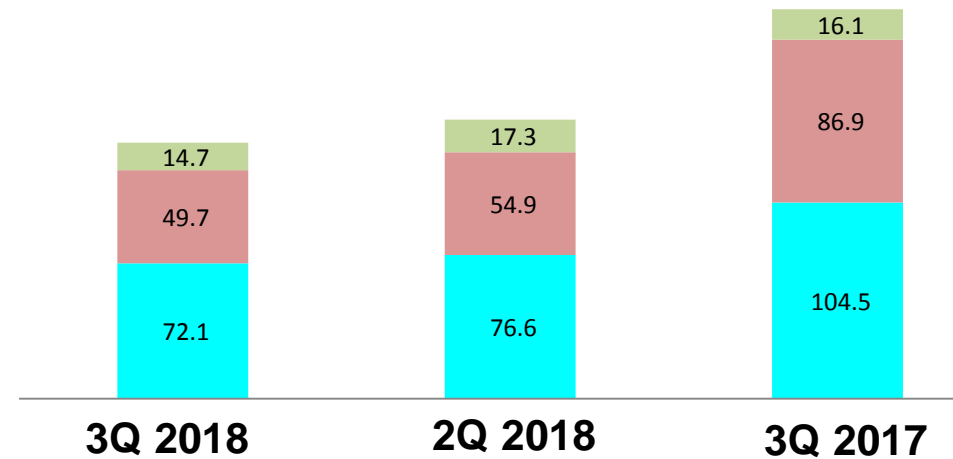


Outstanding orders

\$136.5m

\$148.8m

\$207.6m



Order Intake by Industry

S\$'M	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Oil & Gas	52.6	60.5	49.5	59.1	54.8	57.8	86.4
Infrastructure	25.2	24.2	16.3	21.2	27.6	27.0	29.0
Mining	3.1	4.4	3.2	6.5	4.0	6.0	2.4
Total	80.9	89.1	69.0	86.9	86.4	90.7	117.9

Backlog by Industry

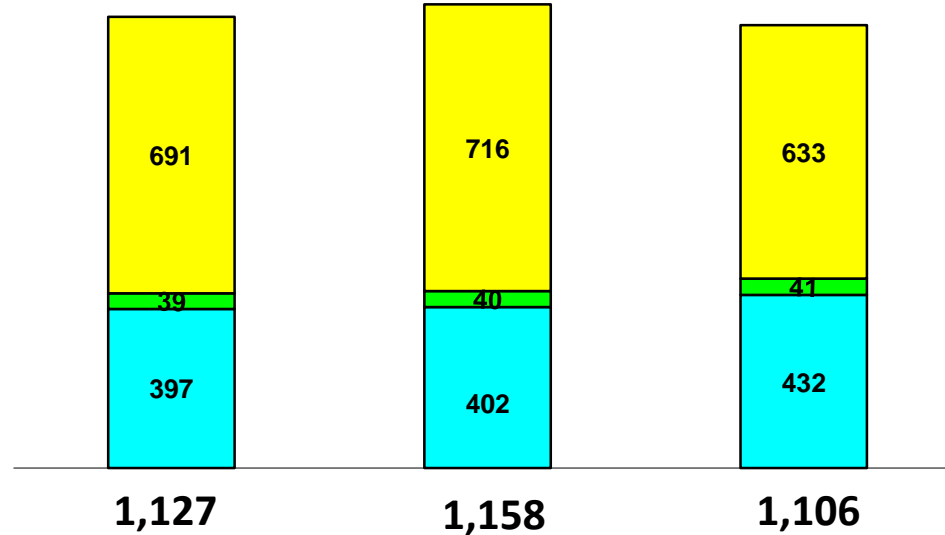
S\$'M	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Oil & Gas	54.2	60.4	60.3	78.2	101.0	106.9	103.1
Infrastructure	79.7	82.9	83.5	92.3	96.6	92.4	89.2
Mining	2.6	5.4	4.8	4.4	10.0	8.7	11.9
Total	136.5	148.8	148.6	175.0	207.6	207.9	204.2

Human Resource

3Q 2018

2Q 2018

3Q 2017



Thank You

Questions & Answers