



# **2<sup>nd</sup> Quarter 2014 Results Briefing**

## **CSE Global Limited**

Fullerton Hotel  
12 August 2014

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2. Outlook
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# 2Q/1H 2014 Review Continuing Operations

# 2Q 2014 Financial Overview

## Continuing Operations

- Revenue increased by 16.3%, as compared to 2Q13
- Profit before tax grew 11.9% to S\$13.4m vs S\$12.0m in 2Q13
- PATMI of S\$8.0m declined by 6% compared to S\$8.5m in 2Q13
- Operating cash outflow of S\$15.9m in 2Q14
- New orders in 2Q14 totalling S\$95.4m, -9.3% vs in 2Q13
- EPS at 1.56 cents
- Return on Equity 16.7% annualised
- Net Cash of S\$11.4m at the end of 2Q14, as compared to Net Gearing of 6.2% at the end of 1Q13

# 1H 2014 Financial Overview

## Continuing Operations

- Revenue increased by 6.2% yoy to S\$201.3m
- Profit before tax declined by 3.4% to S\$22.6m vs S\$23.4m in 1H13
- PATMI of S\$15.6m compared to S\$17.1m in 1H13
- Operating cash outflow of S\$10.0m in 1H14
- New orders in 1H14 totalling S\$168.8m, -5.5% vs in 1H13
- EPS at 3.02 cents
- Return on Equity 16.2% annualised

# Summary Financials 2Q/1H 2014

## Continuing Operations

S\$m	2Q 2014	2Q 2013	Change	1H 2014	1H 2013	Change
Revenue	108.1	92.9	16.3%	201.3	189.5	6.2%
PATMI (continuing operations)	8.0	8.5	-6.0%	15.6	17.1	-9.1%
Gross margin (%)	29.2%	31.0%	-5.8%	28.4%	29.4%	-3.5%
Net margin (%)	7.4%	9.2%	-19.2%	7.7%	9.0%	-14.4%
Operating cash flow	-15.9	30.2	-152.6%	-10.0	47.1	-121.2%
Net Cash/(loan)	11.4	-15.0		11.4	-15.0	
Net gearing (%)	NM	6.2%		NM	6.2%	
Order intake	95.4	105.2	-9.3%	168.8	178.6	-5.5%
Order book/backlog	194.7	272.6	-28.6%	194.7	272.6	-28.6%

# 2Q 2014 Overview

## Continuing Operations

- **Revenue**

- 16% growth in revenue mainly from US and Australia
- Recovery in offshore work in US for 2Q, secured all major projects
- Growth in sales activities in Australia/NZ

- **Net Profit**

- Gross Profit grew 10% yoy, gross margins relatively stable around 30%
- PAT for 2Q14 down by 6% yoy to S\$8.0m, impacted by higher tax expenses

- **Order intake**

- Orders trending up compared to last 3 quarters, due to increased sales activities
- Order intake have improved to S\$95.4m in 2Q14 from 1Q14 of S\$73.4m

# 2Q/1H 2014 FX Movement

	<b>2Q 2014</b>	<b>2Q 2013</b>	<b>Variance (%)</b>	<b>1H 2014</b>	<b>1H 2013</b>	<b>Variance (%)</b>
<b>USD/SGD:</b>	1.2516	1.2556	-0.32%	1.2625	1.2479	1.17%
<b>GBP/SGD:</b>	2.1173	1.9254	9.97%	2.1106	1.9174	10.08%
<b>AUD/SGD:</b>	1.1670	1.2281	-4.97%	1.1537	1.2576	-8.26%



# 2Q/1H 2014 Constant Currency Continuing Operations

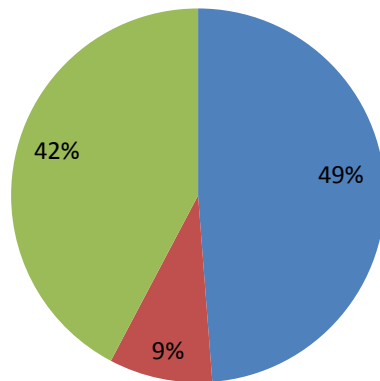
S\$M	2Q 2014	2Q 2013	Variance (%)	2Q 2014 Constant Currency	Variance (%)
<b>Revenue (continuing ops):</b>	108.1	92.9	16.3%	109.2	17.5%
<b>PATMI (continuing ops):</b>	8.0	8.5	(6.0%)	8.1	(5.2%)

S\$M	1H 2014	1H 2013	Variance (%)	1H 2014 Constant Currency	Variance (%)
<b>Revenue (continuing ops):</b>	201.3	189.5	6.2%	203.0	7.1%
<b>PATMI (continuing ops):</b>	15.6	17.1	(9.1%)	15.7	(8.3%)

# Revenue by Geographical Region Continuing Operations

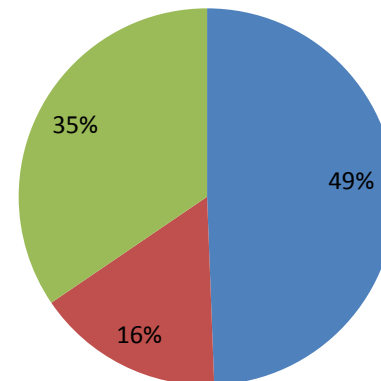
S\$m	1H 2014	1H 2013
Americas	98.2	93.6
EMEA	18.0	30.5
Asia Pacific	85.1	65.4
Total	201.3	189.5

**1H 2014**



■ Americas  
■ EMEA  
■ Asia Pacific

**1H 2013**

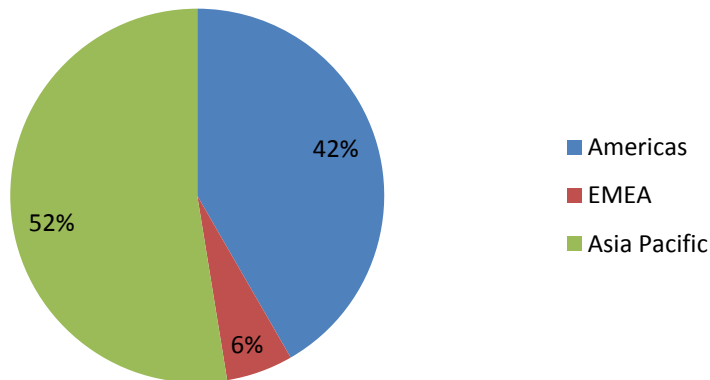


■ Americas  
■ EMEA  
■ Asia Pacific

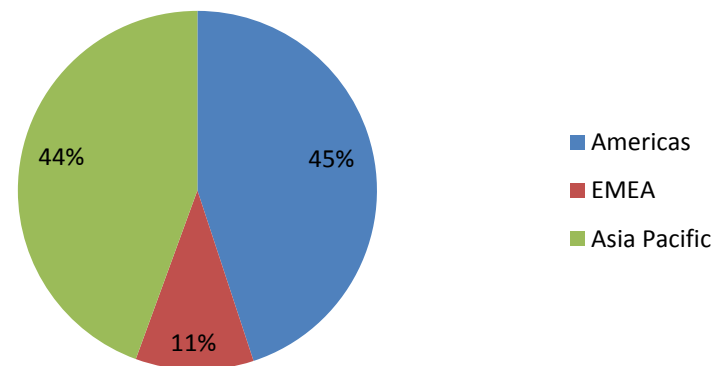
# PAT by Geographical Region Continuing Operations

S\$m	1H 2014	1H 2013
Americas	6.5	7.7
EMEA	0.9	1.8
Asia Pacific	8.2	7.6
Total	15.6	17.1

**1H 2014**



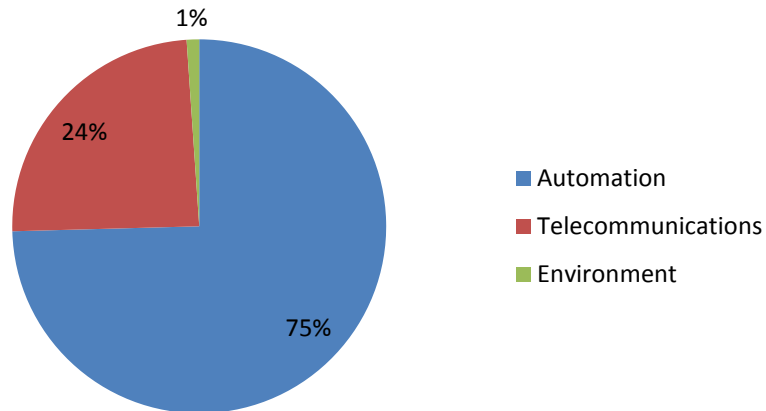
**1H 2013**



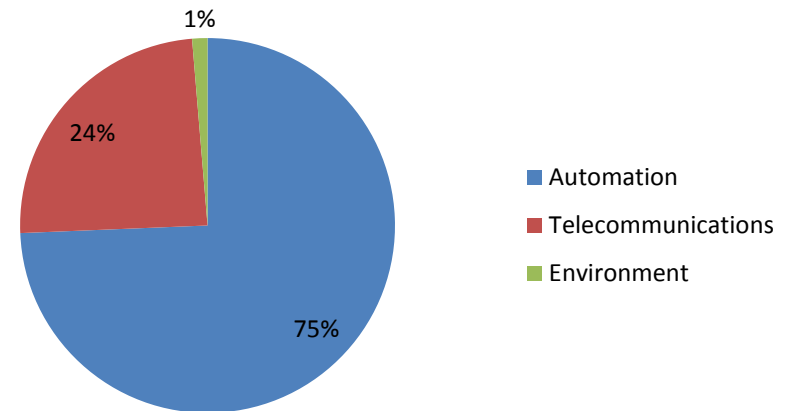
# Revenue by Business Solutions Continuing Operations

S\$m	1H 2014	1H 2013
Automation	150.1	140.9
Telecommunications	49.0	46.1
Environment	2.2	2.5
<b>Total</b>	<b>201.3</b>	<b>189.5</b>

**1H 2014**



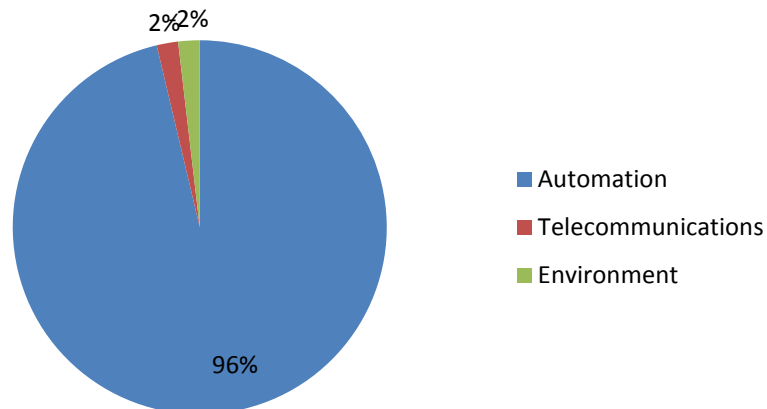
**1H 2013**



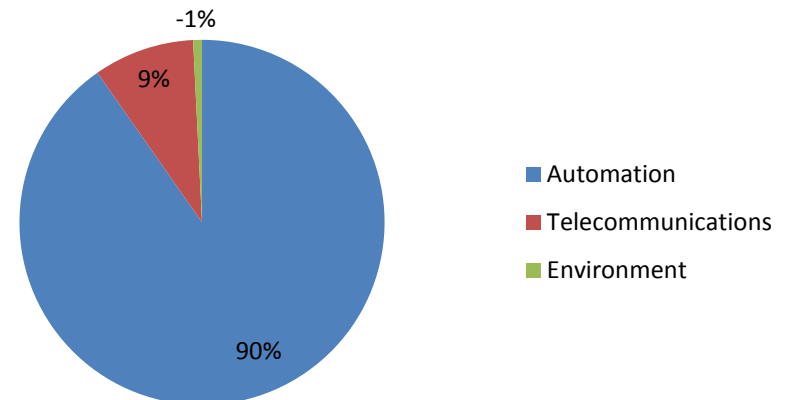
# PAT by Business Solutions Continuing Operations

S\$m	1H 2014	1H 2013
Automation	15.6	15.7
Telecommunications	0.3	1.5
Environment	(0.3)	(0.1)
<b>Total</b>	<b>15.6</b>	<b>17.1</b>

**1H 2014**



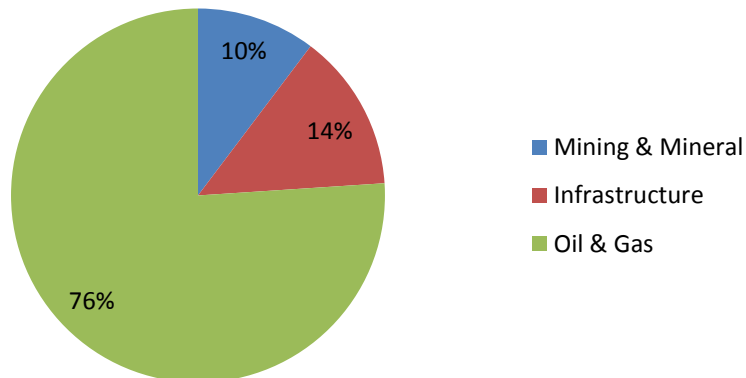
**1H 2013**



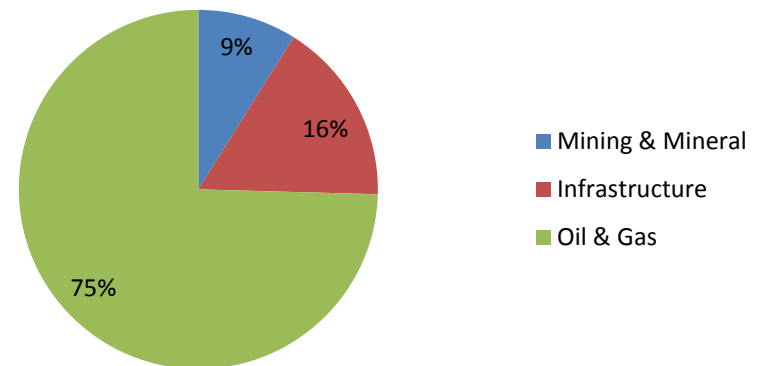
# Revenue by Industry Continuing Operations

S\$m	1H 2014	1H 2013
Mining & Mineral	20.7	16.9
Infrastructure	27.5	31.3
Oil & Gas	153.1	141.3
<b>Total</b>	<b>201.3</b>	<b>189.5</b>

**1H 2014**



**1H 2013**



# 2Q 2014 Group Balance Sheet

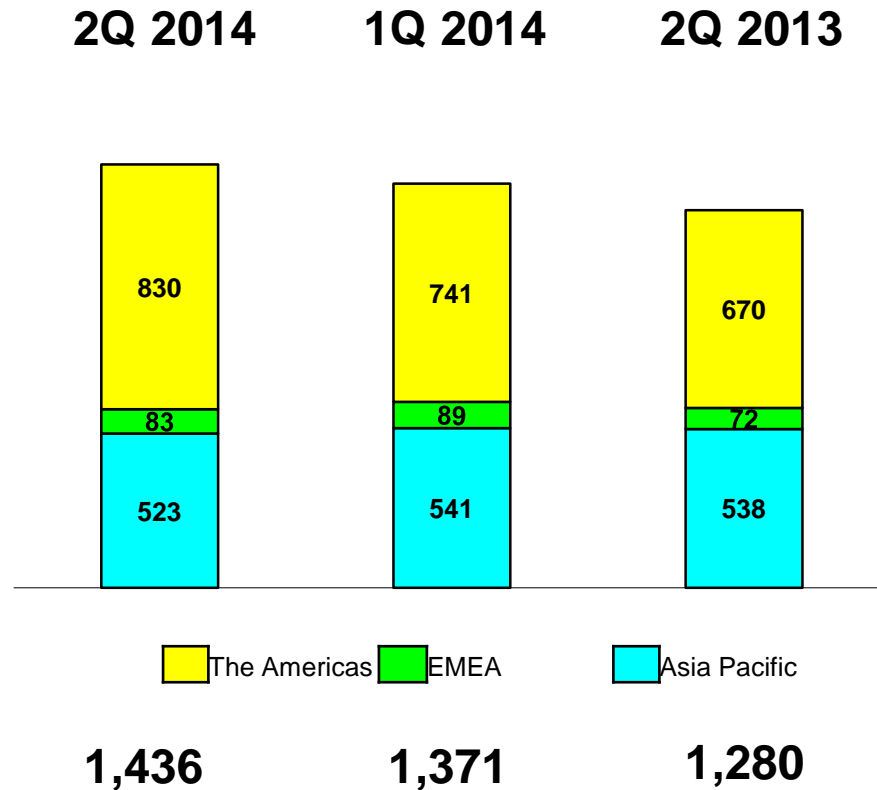
S\$m	30-Jun-14	31-Mar-14	31-Dec-13
Cash at Hand & Bank	46.2	63.8	186.6
Work in Progress	62.6	51.6	62.7
Inventories	14.6	11.3	15.3
Trade Receivable	107.1	115.4	112.7
Trade Payable	59.4	69.6	72.5
Dividend Payable	-	-	144.5
Net Current Assets	123.9	134.9	126.6
Loan	34.9	19.5	2.7
Net Cash/(Loan)	11.4	44.2	183.9
Shareholder Fund	192.2	203.1	193.1

## 2Q/1H 2014 Group Cashflow

<b>S\$m</b>	<b>2Q 2014</b>	<b>2Q 2013</b>	<b>1H 2014</b>	<b>1H 2013</b>
<b>As at beginning of the period</b>	63.8	80.9	186.6	74.2
<b>Net Operations</b>	(15.9)	30.2	(10.0)	47.1
<b>Capital Expenditure (Net)</b>	(1.0)	(0.1)	(2.1)	(0.1)
<b>Net additional investment in Subsidiaries &amp; Associates</b>	-	-	(0.5)	(3.4)
<b>Bank Loans</b>	15.3	(6.6)	32.1	(12.7)
<b>Subsidiary dividend payout to NCI</b>	-	-	-	(0.8)
<b>Dividends</b>	(15.5)	(14.2)	(160.0)	(14.2)
<b>Net effect of FX on cash</b>	(0.5)	0.7	0.1	0.8
<b>As at end of period</b>	46.2	90.9	46.2	90.9

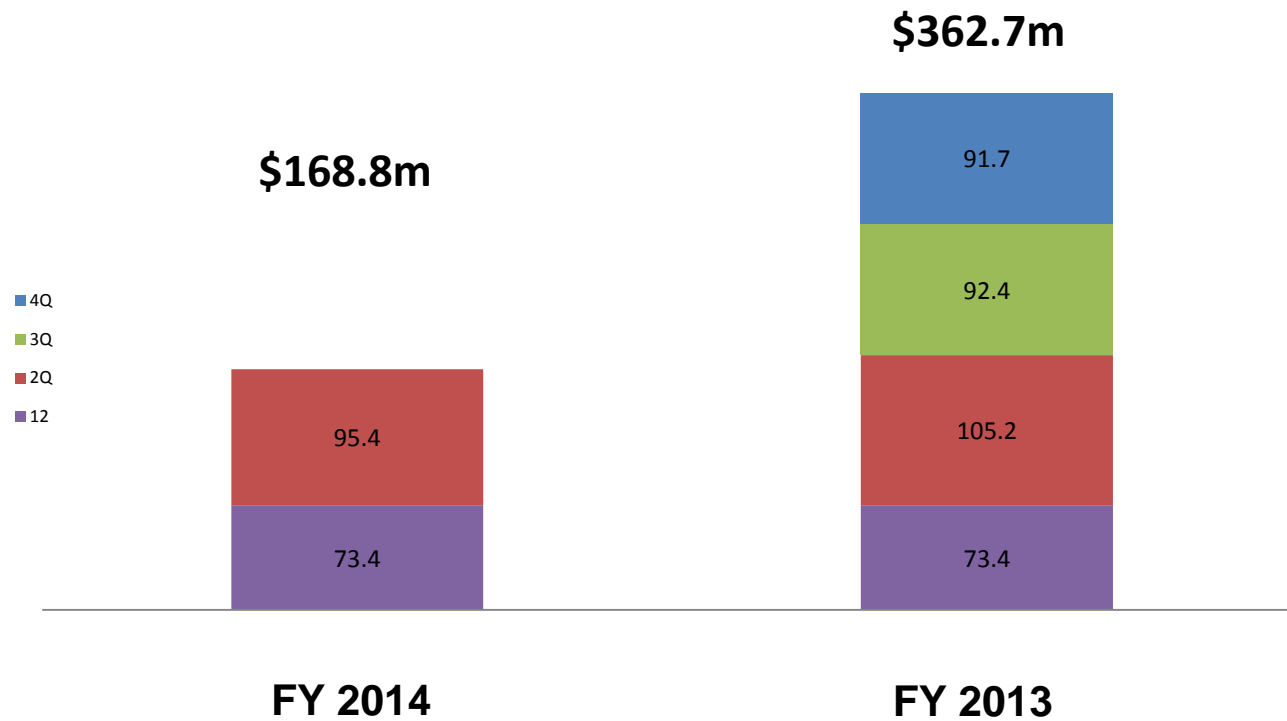


# Human Resource Growth

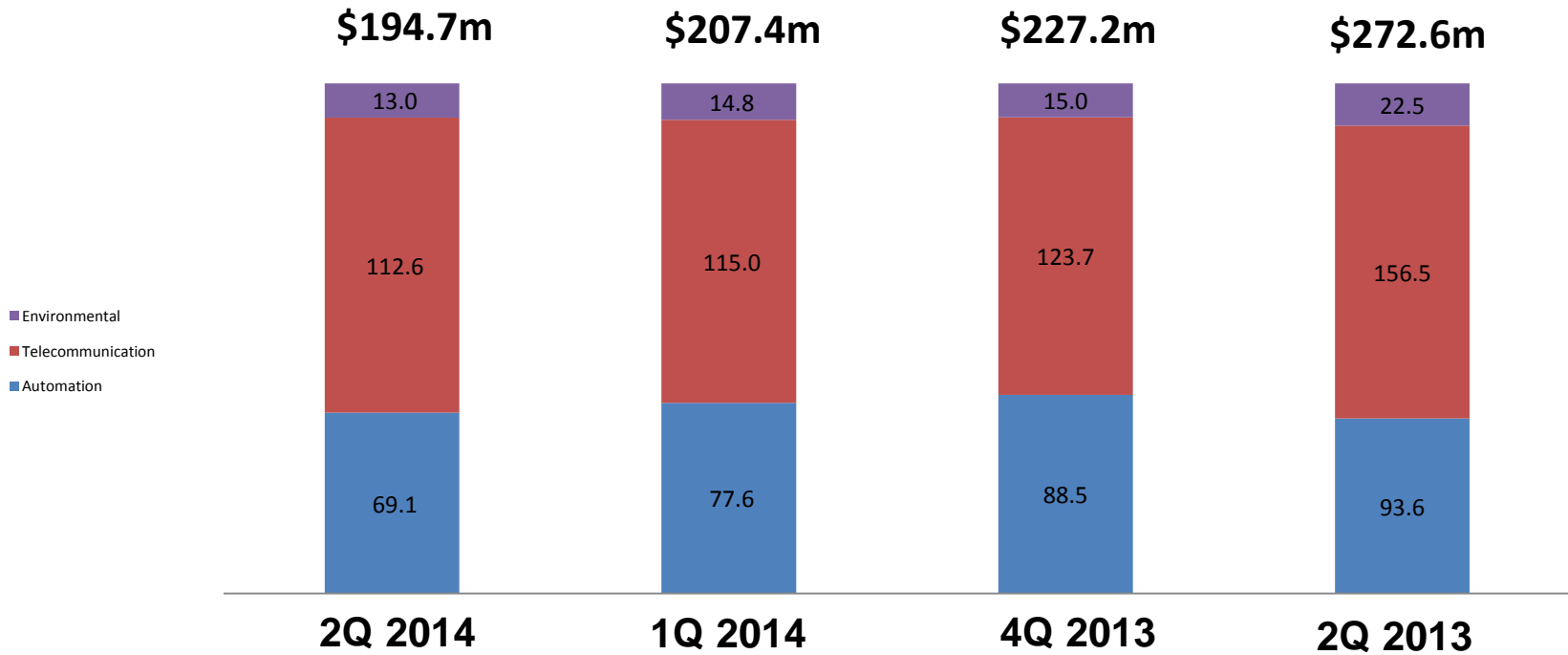


Note: 36 employees of S3ID only included in 2Q14

# Order intake



# Outstanding Orders



# Outlook

- Optimistic of its prospects
  - an outstanding order book of S\$194.7 million
  - clinched two projects in Australia and US recently
  - continue to focus on small greenfield and brownfield projects
- Strong financial position
  - Net Cash of S\$11.4 million
- Focus on outcome and operational efficiency and effectiveness

- An interim dividend of 1.25 cents per share to be paid
- Book closure date: 20<sup>th</sup> August 2014
- Payment date: 27<sup>th</sup> August 2014

# Questions & Answers

Thank You