



2Q & 1H2018 Results Briefing

CSE Global Limited

Fullerton Hotel

14 August 2018

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

Address by CEO

- 2Q & 1H2018 overall a good result, markets remains cautious

Positives

- Gross margins are stable at around 26-27%
- Strong improvement in net profitability
- Strong positive operating cash flow
- Strong order intake of S\$89.1m

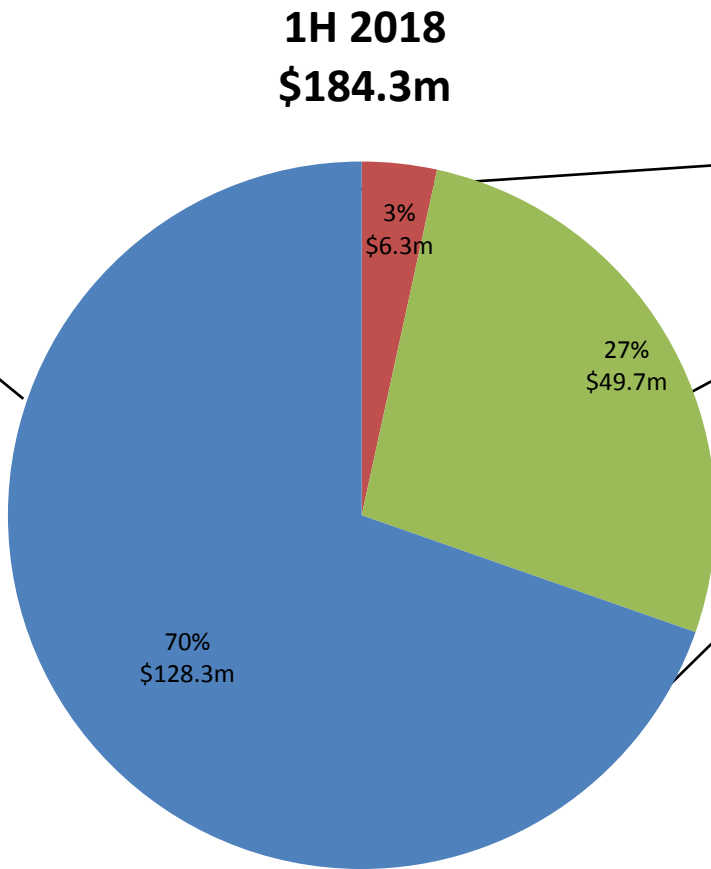
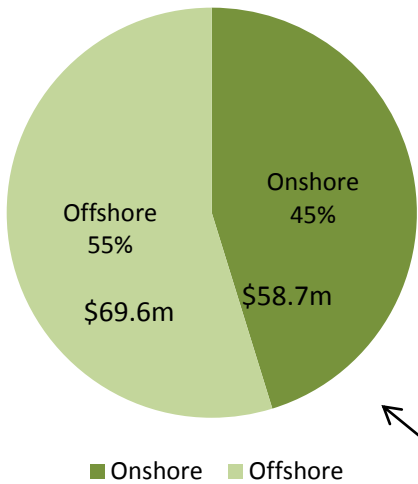
Negatives

- 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 1H2018 Revenue



Communication Australia



■ Mining & Mineral ■ Infrastructure ■ Oil & Gas



- 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








- Conditions in the industry sectors which the Group operates continue to remain uncertain. While there is improvement in oil and gas and commodity prices, our customers remain highly focused on cost control and cash flow generation, resulting in a lack of investments in large greenfield projects. This notwithstanding, we expect to see a steady flow of smaller projects.
- The Group will continue to focus on its profitability and gross margins by supporting and servicing its existing installed base of customers more closely as well as exploring available opportunities either from its current operations or new investments in the market, including exploring synergies together with Serba Dinamik.
- Looking ahead, CSE expects its operating net profit for the current financial year to improve over FY2017 and it intends to maintain the full year dividend of S\$0.0275 per ordinary share for FY2018.

- Declares interim dividend of S\$0.0125 per share
 - Book closure date: 24th August 2018
 - Payment date: 13th September 2018
- Proposed interim dividend: S\$6.4m








CSE intends to maintain the full year dividend of S\$0.0275 per share for FY2018, after considering its current net cash position and future cashflows.

Financial Performance by CFO

2Q 2018 Financial Overview

Revenue		Grew by 7.7% to S\$92.1m
Gross Margin		Increased to 26.9% from 25.7% in 2Q17, higher than FY2017 of 26%
EBIT		Increased by 21.7% to S\$5.2m compared to S\$4.3m in 2Q17
PATNCI		Increased by 43.9% to S\$4.3m from S\$3.0m in 2Q17
EPS (basic)		0.84 cents per share compared to (2.68) cents per share in 2Q17
Order intake		1.8% lower in new orders of S\$89.1m vs 2Q17 of S\$90.7m
ROE		9.9% annualised

1H 2018 Financial Overview

Revenue		Grew by 15.1% to S\$184.3m
Gross Margin		Decreased to 26.9% from 27.3% in 1H17, higher than FY2017 of 26%
EBIT		Increased by 55.4% to S\$13.0m compared to S\$8.4m in 1H17
PATNCI		Increased to S\$10.0m from S\$6.0m in 1H17
EPS (basic)		1.94 cents per share compared to (2.10) cents per share in 1H17
Order intake		24.2% lower in new orders of S\$158.1m
ROE		11.4% annualised

1H 2018 Financial Overview

Financial Position & Cashflow

- Cash inflow from operations of S\$27.9m in 2Q18 and S\$22.6m in 1H18, mainly due to higher collections from trade receivables.
- Net Cash of S\$20.9m at 2Q18 vs S\$5.0m at 1Q18, after deducting the shares buy-back of S\$1.5m and dividend payments of S\$7.7m made in 2Q18.
- Equity attributable to owners of the Company were S\$175.3m at 30 June 2018 vs S\$172.1m at 31 March 2018
- NAV per share at 30 June 2018 was at 34.16 cents vs 33.36 cents at 31 March 2018

Summary Financials 2Q/1H 2018 vs 2017

S\$m	2Q 2018	2Q 2017	Change	1H 2018	1H 2017	Change
Revenue	92.1	85.5	7.7%	184.3	160.1	15.1%
Gross Profit	24.8	22.0	13.1%	49.5	43.7	13.4%
Operating expenses	19.8	18.1	9.4%	38.2	36.1	5.7%
Operating Profit	5.0	3.8	30.6%	11.3	7.6	49.7%
EBIT	5.2	4.3	21.7%	13.0	8.4	55.4%
Operating PATNCI	4.3	3.0	43.9%	10.0	6.0	67.0%
Profit attributable to shareholders	4.3	-13.8	N.M	10.0	-10.8	N.M
Gross margin (%)	26.9%	25.7%	+120 bps	26.9%	27.3%	-40 bps
EBIT margin (%)	5.6%	5.0%	+60 bps	7.1%	5.2%	+190 bps
Net margin (%)	4.7%	3.5%	+120 bps	5.4%	3.8%	+160 bps
Operating cash flow from operation	27.9	-7.3	N.M	22.6	-5.7	N.M
Net Cash/(loan)	20.9	35.2	-40.5%	20.9	35.2	-40.5%
Order intake	89.1	90.7	-1.8%	158.1	208.6	-24.2%
Order book/backlog	148.8	207.9	-28.5%	148.8	207.9	-28.5%
ROE (annualised) (note: 2017 figures are normalised)	9.9%	5.0%	+490bps	11.4%	5.0%	+640 bps

2Q & 1H 2018 FX Movement

	2Q 2018	2Q 2017	Variance (%)	1H 2018	1H 2017	Variance (%)
USD/SGD:	1.3260	1.3930	-4.81%	1.3247	1.4097	-6.03%
GBP/SGD:	1.8273	1.7723	3.11%	1.8274	1.7713	3.16%
AUD/SGD:	1.0051	1.0485	-4.15%	1.0253	1.0574	-3.03%

2Q & 1H 2018 Constant Currency

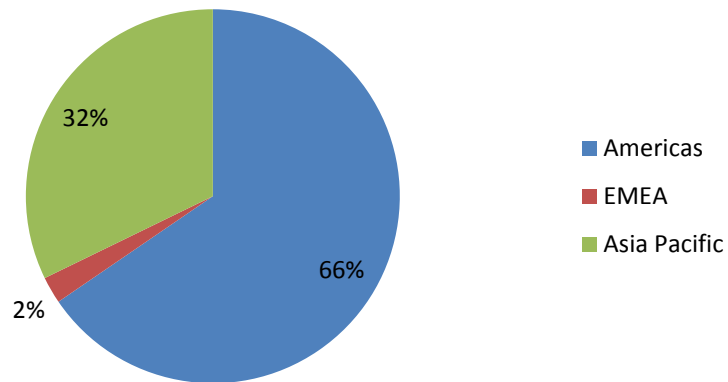
S\$M	2Q 2018	2Q 2017	Variance (%)	2Q 2018 Constant Currency	Variance (%)
Revenue:	92.1	85.5	7.7%	96.2	12.5%
PATNCI:	4.3	3.0	43.9%	4.4	47.1%

S\$M	1H 2018	1H 2017	Variance (%)	1H 2018 Constant Currency	Variance (%)
Revenue:	184.3	160.1	15.1%	193.5	20.9%
PATNCI:	10.0	6.0	67.0%	10.3	72.4%

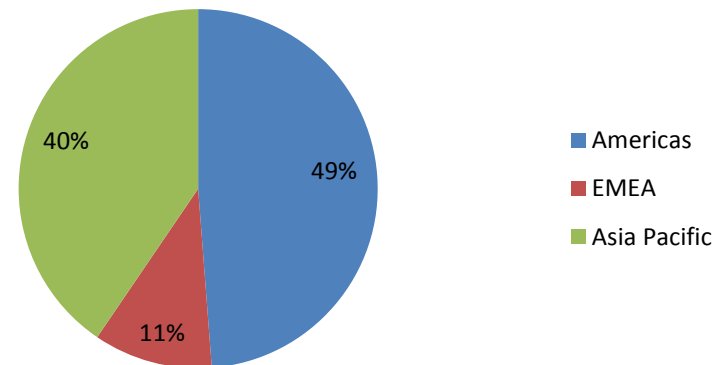
Revenue by Geographical Region - 1H 2018

S\$m	1H 2018	1H 2017	Var %
Americas	120.6	78.1	54.5%
EMEA	4.3	17.2	-75.0%
Asia Pacific	59.4	64.8	-8.4%
Total	184.3	160.1	15.1%

1H 2018



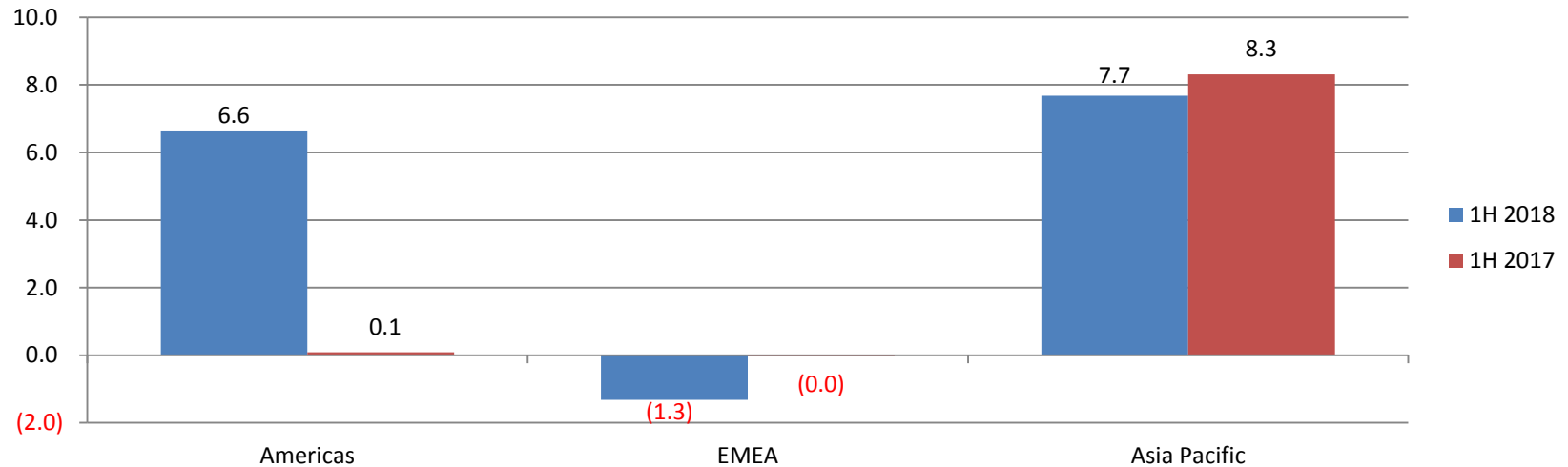
1H 2017



EBIT by Geographical Region - 1H 2018

S\$m	1H 2018	1H 2017	Var %
Americas	6.6	0.1	7416.8%
EMEA	(1.3)	(0.0)	N.M
Asia Pacific	7.7	8.3	-7.6%
Total	13.0	8.4	55.4%

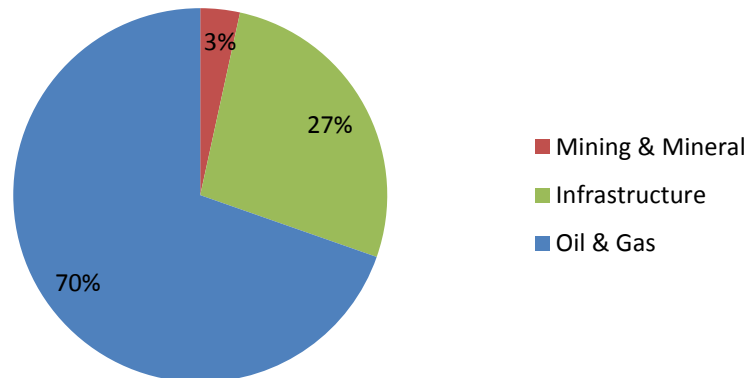
1H 2018



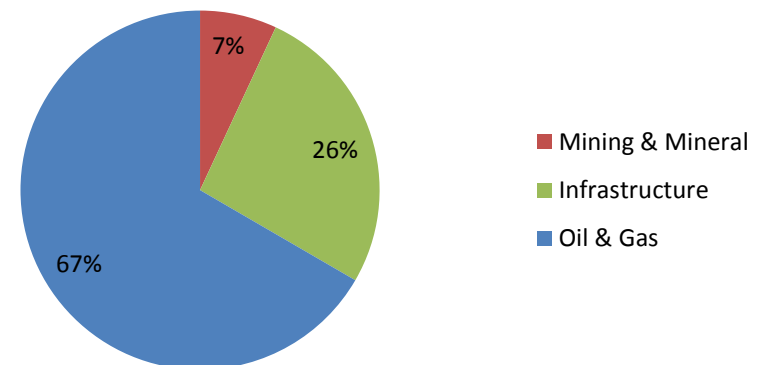
Revenue by Industry - 1H 2018

S\$m	1H 2018	1H 2017	Var %
Mining & Mineral	6.3	11.1	-43.2%
Infrastructure	49.7	42.3	17.3%
Oil & Gas	128.3	106.6	20.3%
Total	184.3	160.1	15.1%

1H 2018



1H 2017



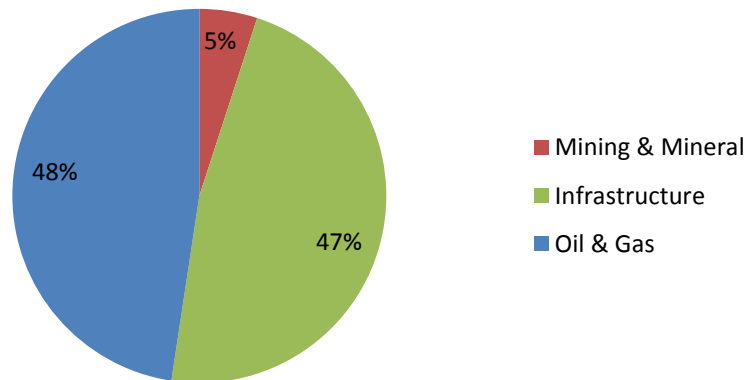
Infrastructure: Power, Water, Waste Treatment & Transportation



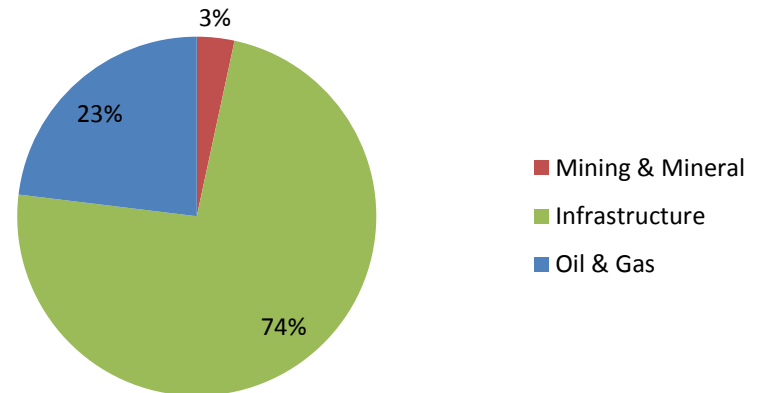
EBIT by Industry - 1H 2018

S\$m	1H 2018	1H 2017	Var %
Mining & Mineral	0.7	0.3	130.0%
Infrastructure	6.2	6.2	0.1%
Oil & Gas	6.2	1.9	220.7%
Total	13.0	8.4	55.4%

1H 2018



1H 2017



Infrastructure: Power, Water, Waste Treatment & Transportation



Revenue by Geographical Region - Qtrly Trends

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

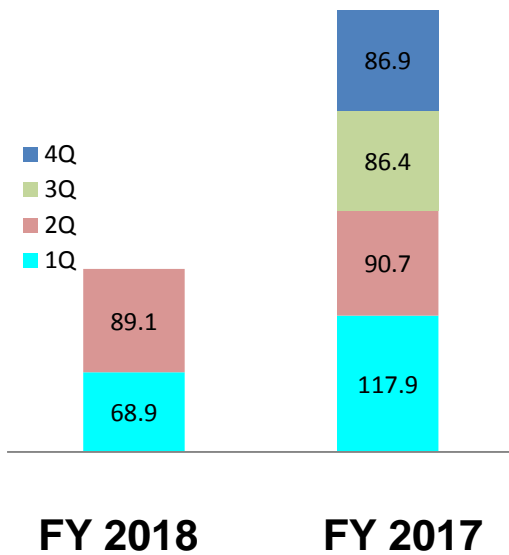
Revenue by Industry - Qtrly Trends

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

2Q/ FY 2018 Orders

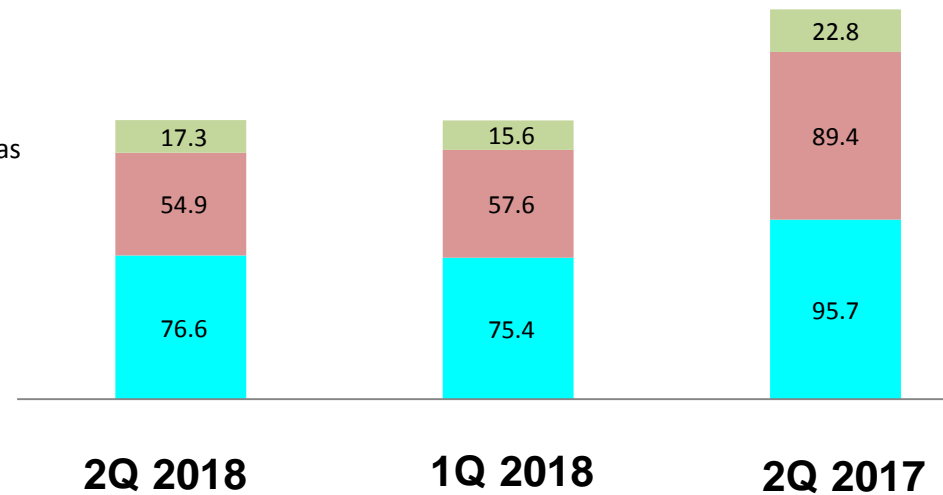
New orders

\$158.1m **\$381.9m**



Outstanding orders

\$148.8m **\$148.6m** **\$207.9m**



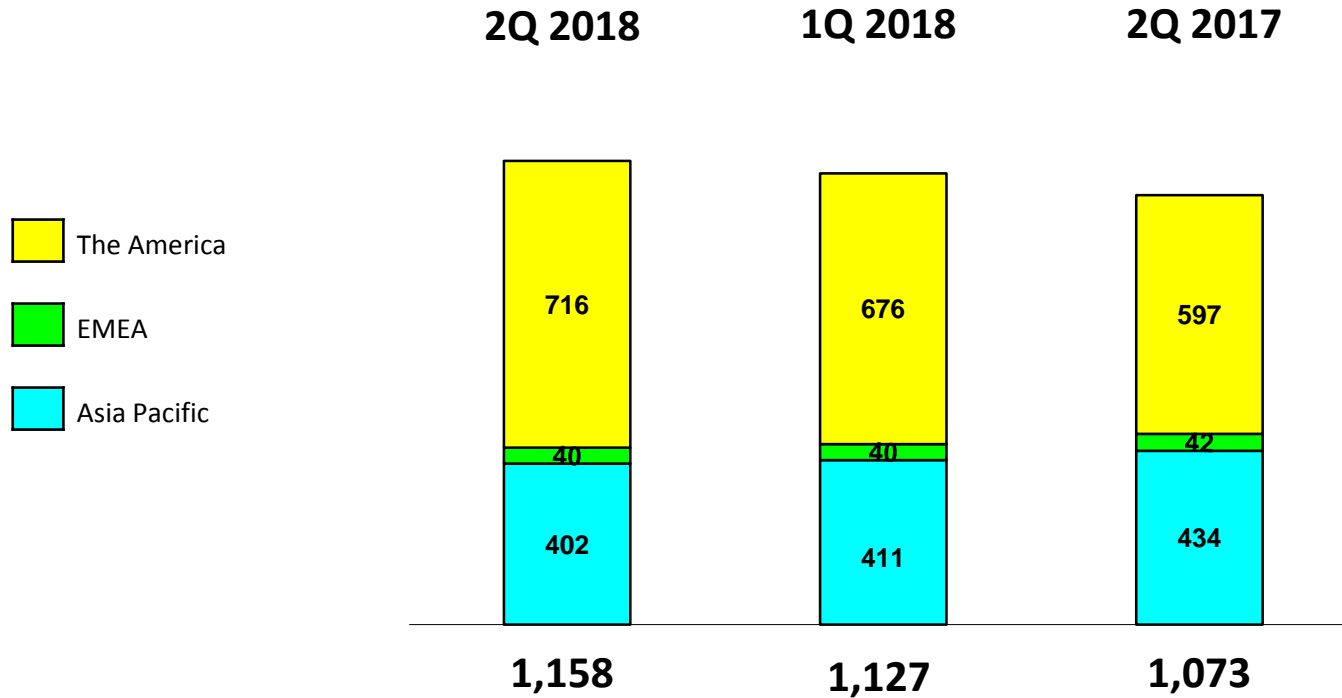
Order Intake by Industry

S\$'m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Oil & Gas	60.5	49.4	59.1	54.8	57.8	86.4
Mining	4.4	3.2	6.5	4.0	6.0	2.4
Infrastructure	24.2	16.3	21.2	27.6	27.0	29.0
Total	89.1	68.9	86.9	86.4	90.7	117.9

Backlog by Industry

S\$m	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Oil & Gas	60.4	60.3	78.2	101.0	106.9	103.1
Mining	5.4	4.8	4.5	10.0	8.7	11.9
Infrastructure	82.9	83.5	92.3	96.6	92.4	89.2
Total	148.8	148.6	175.0	207.6	207.9	204.2

Human Resource



FY 2018 Group Balance Sheet

S\$M	30-Jun-18	31-Mar-18	31-Dec-17	30-Sep-17	30-Jun-17
Cash at Hand & Bank	54.1	43.2	46.9	47.4	53.9
Quoted Investments	1.3	1.3	1.3	1.3	9.4
Work in Progress (Net)	41.1	57.9	53.7	41.4	38.4
Inventories	15.0	13.2	14.6	18.4	19.3
Trade Receivable	75.7	75.6	77.5	85.3	92.8
Other Receivable	17.3	15.7	17.1	12.5	9.5
Trade Payable	50.2	48.6	60.8	49.0	65.7
Net Current Assets	119.4	117.8	117.7	131.2	130.4
Loan	33.2	38.1	31.4	26.8	18.7
Net Cash/(loan)	20.9	5.0	15.5	20.6	35.2
Shareholder Fund	175.3	172.1	172.4	216.4	224.6

2Q & 1H 2018 Group Cash Flow Statement

S\$m	Q2 2018	Q2 2017	1H 2018	1H 2017
As at beginning of the period	43.2	75.8	46.9	90.8
Net Operations	27.9	(7.3)	22.6	(5.7)
Interest and tax	(3.2)	(3.2)	(5.2)	(3.5)
Capital Expenditure (Net)	(1.1)	(1.9)	(2.0)	(5.3)
Quoted investments	-	-	-	(8.2)
Payment/ subsequent payment for subsidiary acquired	-	-	(1.0)	(2.1)
Bank Loans	(4.3)	(1.4)	1.8	(1.9)
Shares buy back	(1.5)	-	(1.5)	-
Dividends	(7.7)	(7.7)	(7.7)	(7.7)
Net effect of FX on cash	0.9	(0.5)	0.3	(2.5)
As at end of period	54.1	53.9	54.1	53.9

Thank You

Questions & Answers