



Annual General Meeting CSE Global Limited

Suntec Convention & Exhibition Centre

Room 303 & 304

20 April 2017

1. Business Overview
2. Proposed Dividend
3. Director Fees
4. FY 2016 Financial Review
5. Q & A

Business Overview

- FY2016 was another challenging year

Negatives

- Our business were affected by the low commodity prices, a lack of new large greenfield orders
- Our US region is affected by fewer small orders from the shallower seas and the lack of large deep-water greenfield projects in the Gulf of Mexico

Positives

- Strong cash flow generation
- Since the start of 2016, build its presence and know-how through 6 acquisitions totalling S\$23 million
- Have increased geographical presence
 - 9 offices in United States of Americas
 - 11 offices in Australia/New Zealand
- Have grown Mining & infrastructure business
 - Revenue 26% in 2016 (\$80.9m), grow 21% (16% in 2015)
 - EBIT 37% in 2016 (\$11.8m), grow 20% (24% in 2015)

Positives

- Diversify into midstream and downstream O&G business and expand into new shale formations in USA

FY2017

– what we see

- Operating conditions remain challenging
 - increased enquires but no increase in awards
- Operating expenditure of customers remains resilient, but anticipate lower level of brownfield activities and prices
- Weaker 1Q17 performance due to delays in award of several projects
- Performance for FY2017 to be similar to FY2016

- What we intend to do
 - Focus on cash generation
 - Continue to be vigilant in managing operating cost
 - Integrate the 6 new acquisitions
 - Win some of the limited large project opportunities
 - Secured two large greenfield projects in Gulf of Mexico in 1Q 2017

- Support and service its existing customers
- Build geographical presence (particularly in USA and Australia)
- Strengthen its technical knowhow/solutions
- Grow our Mining & Infrastructure business
- Diversify into midstream and downstream O&G business and expand into new shale formations in USA

Proposed Dividends

Dividends (Proposed) - Resolution 2

	FY2014	FY2015	FY2016
Dividends (Cents):			
Interim	1.25	1.25	1.25
Special Interim	-	-	-
Final	1.50	1.25	1.50 [#]
Special	-	0.25	-
Total	2.75	2.75	2.75
Payment Date:	19 May 2017		
Book Closure:	5 May 2017		
AGM:	20 April 2017		
Intend to maintain same dividend of 2.75 cents for FY2017			



Director Fees

Directors Fees - Resolution 6

	Retainer	Meeting	Total
Lim Ming Seong	75,000	17,184	92,184
Phillip Lee Soo Hoon	40,000	19,789	59,789
Lim Boh Soon	35,000	13,289	48,289
Sin Boon Ann	25,000	15,789	40,789
Lam Kwok Chong	35,000	16,789	51,789
Tan Hien Meng	50,000	16,789	66,789
Total	260,000	99,629	359,629

The decrease in director fees of FY2016 [S\$359,629] over FY2015 [S\$407,776] was mainly due to lower number of directors in FY2016 and reduction of retainer fees in FY2016.

FY 2016 Financial Review

FY2016 Financial Overview

Continuing Operations

- Revenue declined by 22.9% to S\$317.8m yoy
- Gross profit decreased by 14.8% yoy to S\$100.7m
- Gross margins in FY16 improves to 31.7% vs 28.7% in FY15
- EBIT decreased by 32.0% to S\$27.6m in FY16 vs S\$40.5m in FY15
- EBIT margins were lower at 8.7% in FY16 vs 9.8% in FY15
- PATMI from continuing operations at S\$21.2m vs S\$31.2m in FY15, 32.1% lower yoy
- New orders in FY16 totalling S\$286.6m vs S\$351.0m in FY15
- Order book of S\$163.1m at end of FY16 vs S\$192.7m at end of FY15

FY2016 Financial Overview

Continuing Operations

Financial Position & Cashflow

- Strong operating cash inflow of S\$58.4m in FY16 vs 43.4m in FY15, due to higher collections and billings, as a result of achievement of project delivery milestones for several projects
- Net Cash of S\$70.2m at FY16 vs S\$54.2m at FY15, after deducting for acquisition costs of S\$14.4m, quoted investments of S\$7.2m, and dividend payments of S\$14.2m
- Equity attributable to owners of the Company were S\$251.4m at 31 December 2016 vs S\$241.6m at 31 December 2015
- Return on Equity for FY16 at 8.4%
- NAV per share at 31 December 2016 was at 48.70 cents vs 46.82 cents at 31 December 2015



Summary Financials FY 2016

S\$m	FY 2016	FY 2015	Change
Revenue	317.8	412.0	-22.9%
Gross Profit	100.7	118.2	-14.8%
EBIT	27.6	40.5	-32.0%
Profit before tax	27.7	39.6	-30.0%
PATMI from continuing operations	21.2	31.2	-32.1%
Profit attributable to shareholders	21.2	34.1	-37.8%
Gross margin (%)	31.7%	28.7%	10.4%
EBIT margin (%)	8.7%	9.8%	-11.8%
Net margin from continuing operations (%)	6.7%	7.6%	-11.9%
Operating cash flow	58.4	43.4	34.4%
Net Cash/(loan)	70.2	54.2	29.5%
Order intake	286.6	351.0	-18.3%
Order book/backlog	163.1	192.7	-15.4%



Key Financial Highlights FY16

- **FY16 PATMI from continuing operations decreased by S\$10.0 m (32.1%) yoy:**
 - Lower gross profit of S\$17.5m (-14.8%) due to lower revenues (-22.9%) achieved across all regions
 - Higher amortisation of intangibles from new acquisitions (S\$0.8m)
 - One off acquisition transaction expenses (S\$0.7m)
 - Higher restructuring costs (S\$0.1m)

 - Offset by:
 - ✓ Reduction of operating expenses (S\$5.7m)
 - ✓ Lower provisions for doubtful debts (S\$0.4m)
 - ✓ Lower finance costs (S\$0.7m)
 - ✓ Lower tax expenses of S\$2.2m due to lower profits

FY 2016 FX Movement

	FY 2016	FY 2015	Variance (%)
USD/SGD:	1.3824	1.3755	0.50%
GBP/SGD:	1.8928	2.1088	-10.24%
AUD/SGD:	1.0228	1.0365	-1.31%

FY2016 Constant Currency

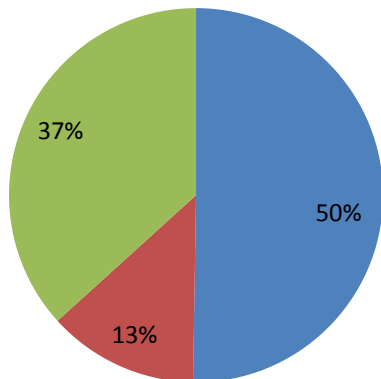
S\$M	FY 2016	FY 2015	Variance (%)	FY 2016 Constant Currency	Variance (%)
Revenue:	317.8	412.0	-22.9%	318.6	-22.7%
PATMI:	21.2	31.2	-32.1%	21.2	-32.1%



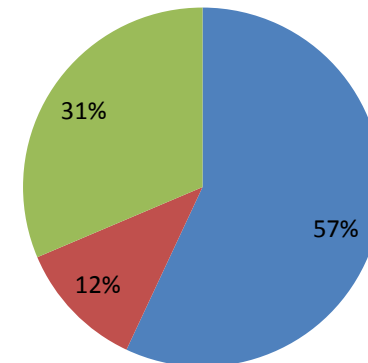
Revenue by Geographical Region - FY 2016

S\$m	FY 2016	FY 2015	Var %
Americas	159.7	234.7	-31.9%
EMEA	41.4	48.0	-13.8%
Asia Pacific	116.7	129.3	-9.8%
Total	317.8	412.0	-22.9%

FY 2016



FY 2015

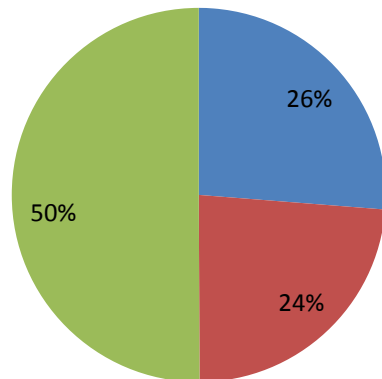


- Americas
- EMEA
- Asia Pacific

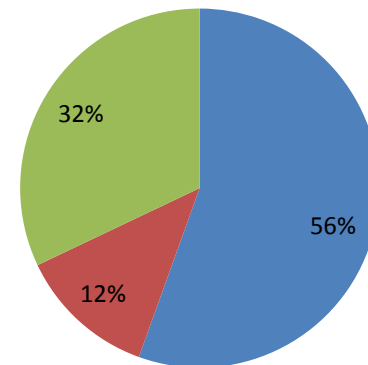
EBIT by Geographical Region - FY2016

S\$m	FY 2016	FY 2015	Var %
Americas	7.2	22.5	-67.8%
EMEA	6.5	5.0	29.6%
Asia Pacific	13.8	13.0	6.3%
Total	27.6	40.5	-32.0%

FY 2016



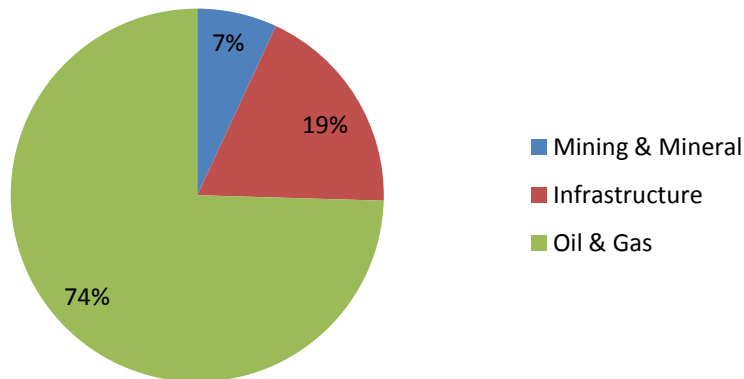
FY 2015



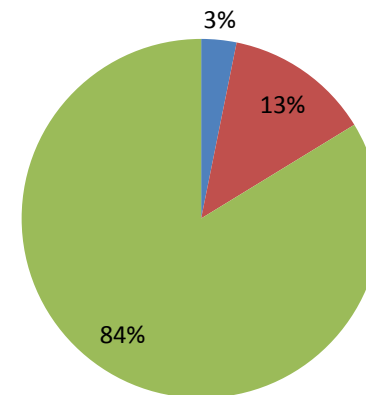
Revenue by Industry - FY 2016

S\$m	FY 2016	FY 2015	Var %
Mining & Mineral	22.0	13.1	68.7%
Infrastructure	58.9	53.9	9.2%
Oil & Gas	236.8	345.0	-31.3%
Total	317.8	412.0	-22.9%

FY 2016



FY 2015



Infrastructure: Power, Water, Waste Treatment & Transportation

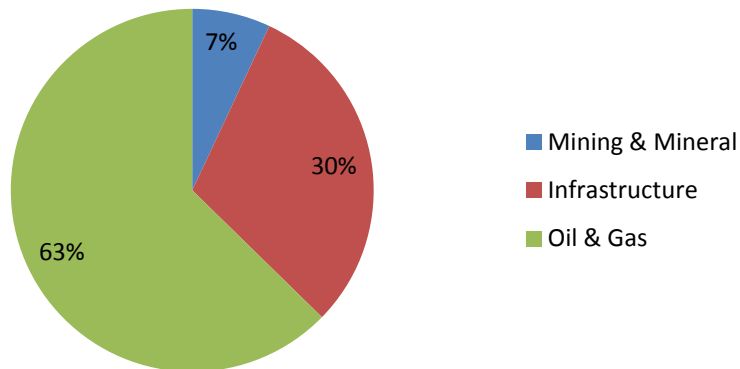


EBIT by Industry - FY 2016

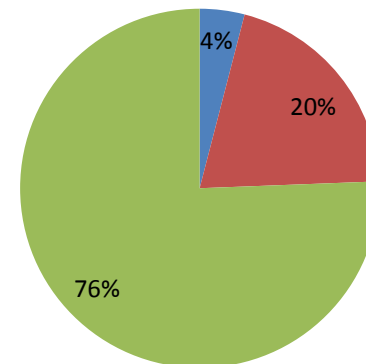
S\$m	FY 2016	FY 2015	Var %
Mining & Mineral	1.9	1.6	17.8%
Infrastructure#	8.4	8.2	1.4%
Oil & Gas	17.3	30.6	-43.6%
Total	27.6	40.5	-32.0%

Infrastructure included additional acquisition transaction cost of S\$0.4m, amortisation of PPA S\$0.4m, provision of doubtful debt S\$0.7m in 2016, excluding these exceptional costs, EBIT in FY16 would have registered a 20.7% growth.

FY 2016



FY 2015



Infrastructure: Power, Water, Waste Treatment & Transportation



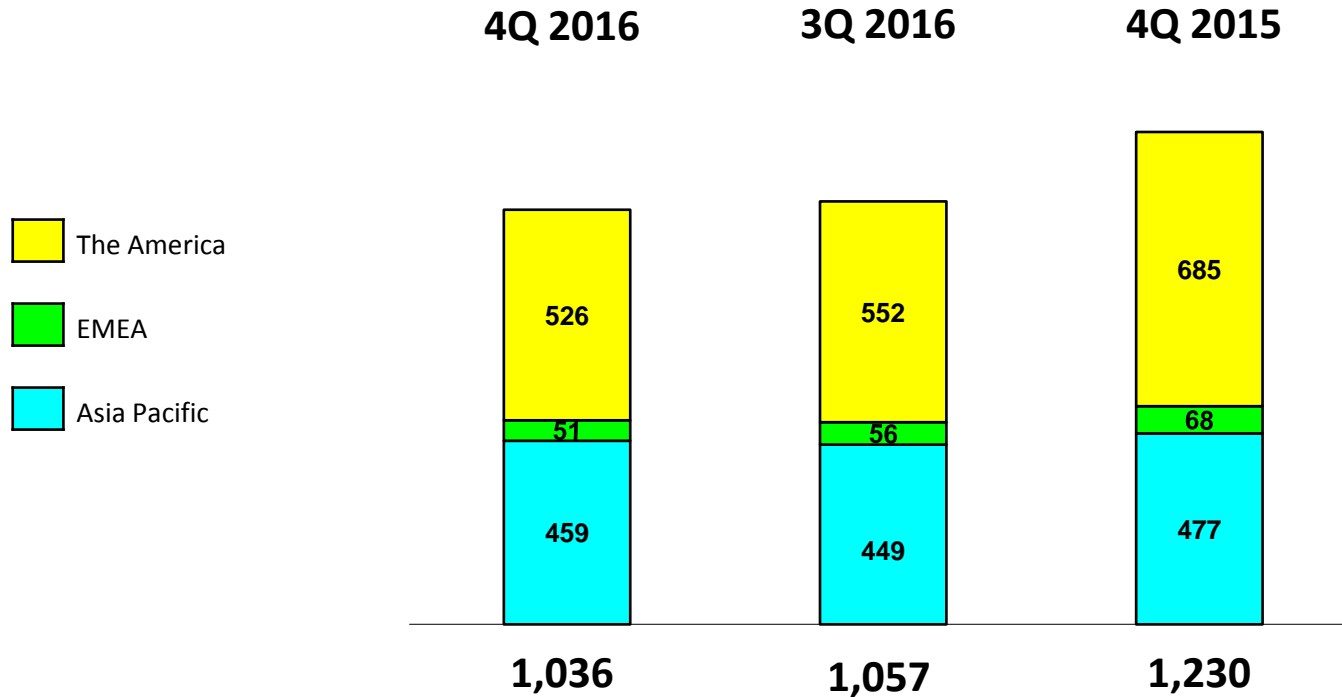
2016 Group Balance Sheet

S\$M	31-Dec-16	30-Sep-16	30-Jun-16	31-Mar-16	31-Dec-15	30-Sep-15
Cash at Hand & Bank	90.8	71.2	64.0	76.3	109.7	66.2
Quoted Investments	7.4	20.4	20.3	0.0	0.0	0.0
Work in Progress (Net)	30.9	27.0	24.5	37.7	47.8	76.5
Inventories	14.7	12.4	12.8	12.7	11.8	17.3
Trade Receivable	83.0	84.6	87.3	90.6	99.6	104.5
Other Receivable	9.3	11.9	12.6	8.8	7.6	10.3
Trade Payable	37.1	52.2	47.0	45.1	50.7	54.2
Net Current Assets	165.6	132.4	135.5	158.6	168.7	158.7
Loan	20.6	18.3	15.0	19.0	55.5	58.0
Net Cash/(loan)	70.2	52.9	49.1	57.3	54.2	8.2
Shareholder Fund	251.4	234.0	234.2	238.6	241.6	233.0

FY 2016 Group Cash Flow Statement

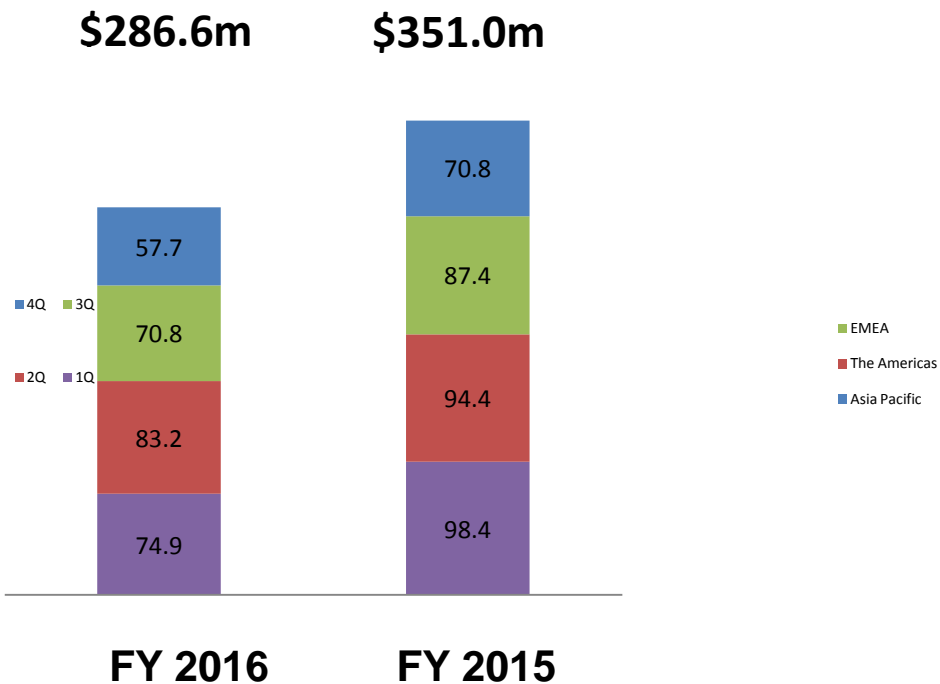
S\$m	Q4 2016	Q4 2015	FY 2016	FY 2015
As at beginning of the period	71.2	66.2	109.7	66.9
Net Operations	1.1	46.8	58.4	43.4
Capital Expenditure (Net)	(1.3)	1.3	(6.8)	(5.7)
Net consideration from disposal - PD	-	-	-	7.5
Quoted investment	13.2	-	(7.2)	-
Net additional investment in Subsidiaries & Associates	(0.8)	(4.1)	(14.4)	(4.6)
Bank Loans	2.2	(2.9)	(35.0)	11.6
Dividends	-	-	(14.2)	(14.2)
Net effect of FX on cash	5.2	2.4	0.2	4.8
As at end of period	90.8	109.7	90.8	109.7

Human Resource

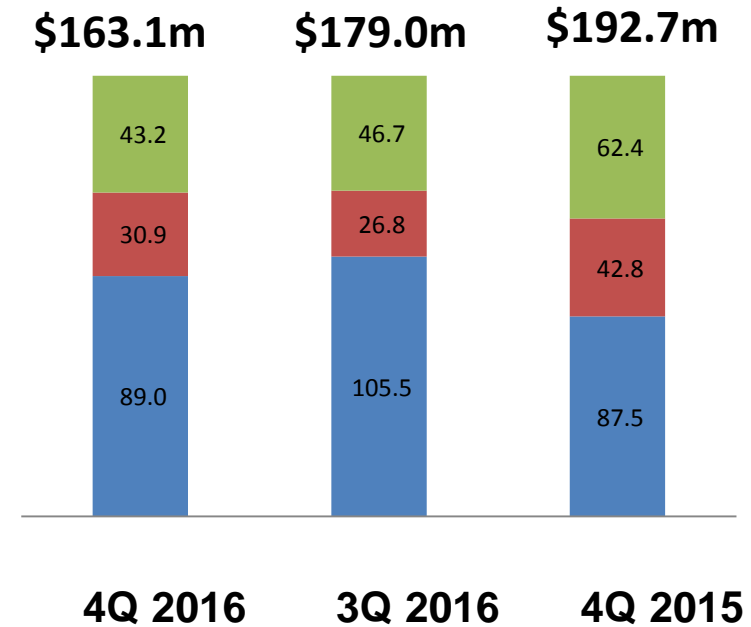


FY 2016 Orders

New orders



Outstanding orders



Questions & Answers

Thank You



Extraordinary General Meeting CSE Global Limited

Suntec Convention & Exhibition Centre

Room 303 & 304

20 April 2017

1. Performance Share Plan
2. Share Buyback Mandate
3. Resolutions
4. Q & A

Performance Share Plan

Objectives

- Align senior management interests with shareholders' interests.
- Restructure existing senior management long term incentive from 100% cash to part cash-part shares.

Performance Share Plan

Summary of the Performance Share Plan

1. Vesting period : 3 years
2. Performance based : Profit targets
3. Participants : C-grade management & Regional Heads
4. Source : Purchase from market (via share buyback mandate), no new shares (non-dilutive)
5. Limitation on size and duration : 5% of total number of issued shares; 10 years

Share Buyback Mandate

Share Buyback Mandate

Objective

- The Share Purchase Mandate will enable the Company to purchase Shares and hold them as Treasury Shares for the purposes of transferring to Participants on Vesting of their Awards under the Performance Share Plan

Share Buyback Mandate

Features of the Share Buyback Mandate:

- The total number of Shares which may be purchased shall not exceed 5% of the total issued Shares of the Company (excluding Treasury Shares). This is less than the 10% limit permitted under Rule 882 of the Listing Manual.
- Purchase price to be paid for the Shares pursuant to the Share Purchase Mandate must not exceed:
 - (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
 - (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price of the Shares, (the “**Maximum Price**”).
- Share Purchases may be made, at any time and from time to time, on and from the this EGM date up to the date on which the next AGM is held
- Sources of Funds - mainly through internal sources

Note: The Share Buyback Mandate is conditional upon the Performance Share Plan being approved by shareholders.



Resolutions

Resolutions for Shareholders' approval:

- Ordinary Resolution 1:

The Proposed CSE Performance Share Plan 2017

- Ordinary Resolution 2:

The Proposed Share Purchase Mandate

Need to vote for both resolutions at the same time, as both resolutions are interdependent.



Questions & Answers

Thank You