



NEWS RELEASE

CSE Global FY2023 Revenue grew 30.0% to S\$725.1 million; Net Profit surged by 372.0% to S\$22.5 million

- Revenue grew 30.0% year-on-year, led by the Electrification and Communications business segments
- Net profit surged 372.0% to S\$22.5 million
- Record new order intake at all-time high of approximately S\$1 billion
- Board recommends final one-tier tax-exempt dividend of 1.50 Singapore cents per ordinary share

Group Financial Highlights						
S\$'000	2H2023	2H2022	Change (%)	FY2023	FY2022	Change (%)
Revenue	375,772	295,513	27.2%	725,051	557,699	30.0%
Gross profit	104,040	73,395	41.8%	199,864	146,184	36.7%
EBITDA	31,973	15,377	107.9%	62,835	33,400	88.1%
Net profit	11,504	235	4795.3%	22,511	4,769	372.0%
Gross profit margin	27.7%	24.8%	2.9pp	27.6%	26.2%	1.4pp
EBITDA margin	8.5%	5.2%	3.3pp	8.7%	6.0%	2.7pp
Net profit margin	3.1%	0.1%	3.0pp	3.1%	0.9%	2.2pp
Cash generated from operations	65,904	952	6822.7%	72,020	9,086	692.6%
Order intake ¹	599,955	400,088	50.0%	990,234	818,721	20.9%
Order book ²	730,597	480,063	52.2%	730,597	480,063	52.2%

Singapore, 27 February 2024 – CSE Global Limited (“CSE Global” or the “Group”) announced today its financial results for the full year ended 31 December 2023 (“FY2023”). Revenue increased 30.0% year-on-year to S\$725.1 million from S\$557.7 million in the previous corresponding year (“FY2022”) led by growth in the Electrification and Communications business segments. Correspondingly, gross profit increased 36.7% year-on-year to S\$199.9 million. Net profit rose 372.0% year-on-year to S\$22.5 million despite higher interest costs.

Mr Lim Boon Kheng, Group Managing Director and Chief Executive Officer of CSE Global, said, “CSE performed exceptionally well in FY2023, with record order wins and order book, strong revenue and net profit growth, generated strong cash inflow from operations, and a return on equity of 10.4%. We are very grateful to our customers for entrusting us with their engineering needs, bringing our order wins to an all-time high of approximately S\$1 billion for FY2023.”

With a record order book of S\$730.6 million as at 31 December 2023 and continued growth in the Electrification and Communications businesses, CSE is well positioned to achieve a stronger financial performance in 2024.

¹ Order intake refers to all orders received by the Group during the specified period of time.

² Order book is the total outstanding orders that the Group has received but has not fulfilled at the end of the specified period.

The Board of Directors has recommended a final one-tier tax-exempt dividend of 1.50 Singapore cents per ordinary share for 2023. Together with the interim dividend of 1.25 Singapore cents per ordinary share paid in 2023, this brings the total dividend pay out to 2.75 Singapore cents for the full year. The payment of the final dividend will be on 20 May 2024.

FY2023 Financial Review

In FY2023, the Group's revenue surged by 30.0% or S\$167.4 million year-on-year to S\$725.1 million, mainly attributed to broad base growth across all business segments. In line with higher revenue, Group's gross profit increased by S\$53.7 million or 36.7% year-on-year to S\$199.9 million. Group's gross margin improved from 26.2% in FY2022 to 27.6% in FY2023.

The Group's operating expenses for FY2023 were 17.6% or S\$24.3 million higher year-on-year at S\$162.3 million, mainly due to incremental expenses from consolidation of newly acquired subsidiaries of S\$15.6 million, increase in upkeep of building and equipment cost of S\$3.6 million, higher personnel costs of S\$2.7 million and higher allowances for expected credit losses of S\$2.6 million.

Group EBITDA improved by 88.1% to S\$62.8 million compared to FY2022 of S\$33.4 million, mainly attributed to higher gross profits of S\$53.7 million offset by higher operating costs (excluding depreciation and amortisation expenses) of S\$21.8 million and S\$4.3 million non-recurring gain on disposal of property, plant and equipment in FY2022.

Consequently, the group's net profit for FY2023 rose by 372.0% to S\$22.5 million from S\$4.8 million in FY2022, despite higher interest costs of S\$4.8 million, additional depreciation and amortisation expenses of S\$4.1 million, and increased tax expenses of S\$2.8 million.

For 2H2023, the Group generated a strong cash inflow from operations of S\$65.9 million as compared to 2H2022 of S\$1.0 million due to the achievement of several large project billing milestones and stronger collections. As a result, the Group generated a strong cash inflow from operations of S\$72.0 million in FY2023 as compared to S\$9.1 million in FY2022.

The Group's net debt position was S\$76.0 million as at end of December 2023, as compared to S\$72.2 million as at end of December 2022. Net gearing ratio as at 31 December 2023 was 0.35x.

For FY2023, the Group's earnings per ordinary share ("EPS") was 3.66 Singapore cents as compared to 0.89 Singapore cents for FY2022.

Strong growth in Electrification and Communications

Revenue by Business Segment (S\$'000)	2H2023	2H2022	Change (%)	FY2023	FY2022	Change (%)
Automation	91,408	80,127	14.1%	169,971	164,515	3.3%
Communications	113,460	79,796	42.2%	220,532	153,116	44.0%
Electrification	170,904	135,590	26.0%	334,548	240,068	39.4%
Total	375,772	295,513	27.2%	725,051	557,699	30.0%

In FY2023, the Group registered a strong revenue growth of 30.0% year-on-year. The Electrification business segment continues to lead the growth in revenue, growing 39.4% or S\$94.5 million year-on-year to S\$334.5 million in FY2023. This was mainly attributed to growth in the data centre, power, utility, and energy storage markets fuelled by rising demand for power distribution and electrical control systems in the USA and Australia/New Zealand region.

The Communications business segment posted a strong revenue growth of 44.0% year-on-year or S\$67.4 million, mainly attributed to expansion to new geographical regions organically and from new acquisitions.

Americas Region Regains Profitability

Revenue by Geography (S\$'000)	2H2023	2H2022	Change (%)	FY2023	FY2022	Change (%)
Americas	230,344	170,661	35.0%	434,630	319,701	35.9%
Asia Pacific	133,968	114,135	17.4%	268,897	218,585	23.0%
EMEA	11,460	10,717	6.9%	21,524	19,413	10.9%
Total	375,772	295,513	27.2%	725,051	557,699	30.0%

Earnings/(Loss) before Interest and Tax (EBIT) by Geography (S\$'000)	2H2023	2H2022	Change (%)	FY2023	FY2022	Change (%)
Americas	4,845	(6,954)	N.M	8,238	(10,681)	N.M
Asia Pacific	13,620	10,812	26.0%	28,731	22,235	29.2%
EMEA	1,075	1,400	-23.2%	1,930	2,021	-4.5%
Total	19,540	5,258	271.6%	38,899	13,575	186.5%

In FY2023, the geographical regions of the Americas, Asia Pacific and EMEA contributed 59.9%, 37.1% and 3.0% to revenue respectively.

The Americas region registered a strong revenue growth of 35.9% in FY2023 of S\$434.6 million as compared to FY2022 of S\$319.7 million, mainly attributed to higher project revenue achieved by the Electrification and Communications businesses. In line with growth in revenue and gross margin, EBIT improved to S\$8.2 million, reversing from a loss before interest and tax of S\$10.7 million in FY2022 which included cost overruns for some projects.

The Asia Pacific region reported a 23.0% growth in FY2023 revenue to S\$268.9 million from S\$218.6 million in FY2022, mainly due to revenue contributions from new business acquisitions of S\$50.5 million. In line with higher revenue achieved in FY2023, EBIT rose by 29.2% year-on-year to S\$28.7 million.

The EMEA region registered a 10.9% increase in revenues from S\$19.4 million in FY2022 to S\$21.5 million in FY2023 mainly due to contributions from new acquisitions in United Kingdom.

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The EMEA region reported lower EBIT of S\$1.9 million in FY2023 as compared to S\$2.0 million which included fixed assets disposal gain of S\$0.3 million in FY2022.

End of Release



About CSE Global Limited (“CSE Global”)

CSE Global is a leading systems integrator providing automation, communications, and electrification solutions across various industries globally.

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 mission-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, 57 offices, and close to 2,000 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.cse-global.com for more information.

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