

Press Release – First Quarter 2018 Results

CSE's Net Profit jumps 90% to S\$5.7 million

1Q18 Key Highlights:

- **Revenue growth of 23.7% across all industry segments**
- **Strong net profit growth of 90% on the back of revenue growth and resilient gross margin**
- **Lower order intake of S\$68.9m due to seasonally slow quarter**
- **Remains in net cash position**

Singapore, 9 May 2018 – CSE Global Limited (“CSE” or the “Group”) announced today its financial results for the quarter ended 31 March 2018. The Group reported its first quarter net profit grew by 90% year-on-year to S\$5.7 million, on the back of 23.7% revenue growth, which saw broad base growth across all industry segments.

For the quarter ended 31 March 2018, the Group’s revenues rose by 23.7% to S\$92.2 million, driven by 23.3% growth in Oil and Gas segment and 24.0% growth in Infrastructure segment. In line with the growth in revenues, gross profit rose by 13.7% to S\$24.7 million in 1Q18 from S\$21.7 million in 1Q17. Gross margins in 1Q18 were at 26.8% against 29.2% in 1Q17, however, the gross margins in 1Q18 has improved moderately from the 26% gross margins achieved in FY2017.

Operating expenses in 1Q18 grew by 2.1% to S\$18.4 million as compared to 1Q17 of S\$18.0 million, mainly due to increased personnel costs in line with the increase in revenue. Operating expenses on revenues in 1Q18 have improved to 19.9% from 24.1% in 1Q17, reflecting higher labour utilization and improved cost efficiencies.

With that, profit after tax and non-controlling interest grew by 90.0% year-on-year to S\$5.7 million in 1Q18 from S\$3.0 million in 1Q17.

The basic earnings per ordinary share as at 31 March 2018 was 1.11 cents (as at 31 March 2017: 0.58 cents).

New orders received for the quarter was S\$68.9 million, a decrease of 41.5% year-on-year, mainly a result of the seasonally slow quarter. With lower orders received and higher revenues recorded in the quarter, the Group ended the quarter with an outstanding order book of S\$148.6 million.

In 1Q18, the Group generated a cash outflow from operations of S\$5.3 million, mainly from increased work-in-progress and payment of accounts payables brought forward from FY2017.



Commenting on the Group's 1Q18 performance, Mr. Lim Boon Kheng, Group CEO of CSE, said, "Despite the difficult operating environment, I am pleased that CSE has performed well with the revenue and net profit growth achieved in the first quarter. I am also encouraged by the moderate gross margin improvement in 1Q18."

On the outlook, Mr Lim added, "With the uncertain global economic outlook and low commodity prices, the operating environment remains challenging. The Group will continue to support and service its existing installed base or customers as well as explore available opportunities in the market together with Serba Dinamik. The Group currently has several large projects that will reach billing milestones in 2Q and 3Q of 2018, to which the Group is confident of achieving a positive operating cashflow for FY2018."

Looking ahead, CSE expects its performance to be profitable for the current financial year. CSE will continue to explore acquisition opportunities to support its long term sustainable growth objectives.

###end of release###

Media & Investor Contact Information:

Eddie Foo

Group Chief Financial Officer

CSE Global Limited

Tel: (65) 6512 0317, Fax: (65) 6742 9179

Email: eddie.foo@cse-global.com



About CSE Global Limited (“CSE”):

Listed on Singapore Exchange since 1999, CSE Global Limited is a global technologies company with an international presence spanning the Americas, Asia Pacific, Europe, Middle East and Africa. The Group has now more than 1,000 employees worldwide, and operates a network of 39 offices across the globe, generating more than 95 percent of its revenues outside its home market. In line with global ambitions, the Group has adopted the ISO 9001 Quality Management System as certified by Lloyd’s Register Quality Assurance (LRQA) and DNV. The CSE Group of companies has been very successful in offering cost-effective, totally integrated solutions to industries in the Oil & Gas, Infrastructure and Mining sectors. CSE has a consistent profit track and a management that is focused on operational excellence to achieve sustainable profit growth and enhance shareholder returns.

For more information, please log onto: <http://www.cse-global.com>