



# **1Q2018 Results Briefing CSE Global Limited**

Fullerton Hotel

10 May 2018

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1. Address by CEO
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3. Q & A

# Address by CEO

- 1Q2018 overall a good result, despite the headwinds

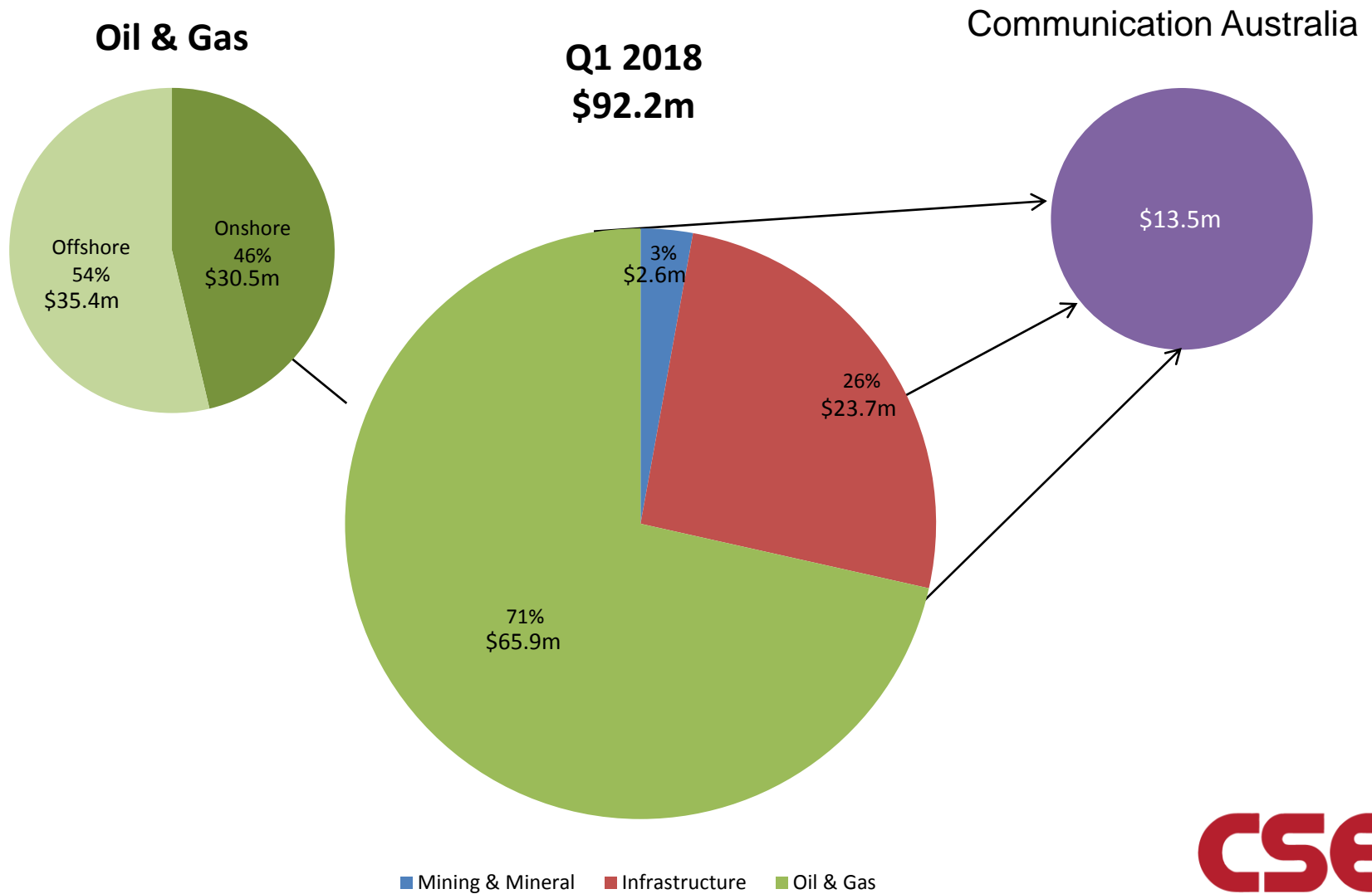
## Negatives

- Low order intake of S\$68.9m
- Negative operating cash flow, to fund the 2 large projects

## Positives

- Gross margins are stable at around 26-27%, showing some recovery.
- Strong improvement in net profitability

# 1Q2018 Revenue



## Build on the positive momentum

- Continue to strengthen
  - Singapore Government business
  - Energy solution and services business in Australia
  - Deep water business in USA
- Continue to build
  - Radio business in Australia
  - Onshore business in USA
- Continue to remodel restructure
  - Telecommunication business in EMEA

- 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 remain challenging. Despite the improved oil and gas and commodity prices, our customers remain highly focused on cost control and cash flow generation.
- 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.



# Financial Performance by CFO

# 1Q 2018 Financial Overview

## Continuing Operations

Revenue		Grew by 23.7% to S\$92.2m
Gross Margin		Decreased to 26.8% from 29.2% in 1Q17, higher than FY2017 of 26%
EBIT		Increased by 90.2% to S\$7.8m compared to S\$4.1m in 1Q17
PATNCI		Increased to S\$5.7m from S\$3.0m in 1Q17
EPS		1.11 cents per share compared to 0.58 cents per share in 1Q17
Order intake		41.5% lower in new orders of S\$68.9m
Order Book		Decreased to S\$148.6m from S\$175.0m in 4Q17

# 1Q 2018 Financial Overview

## Continuing Operations

### Financial Position & Cashflow

- Cash outflow from operations of S\$5.3m in 1Q18, mainly from increased work-in-progress and payments of accounts payables brought forward from FY2017.
- Net Cash of S\$5.0m at 1Q18 vs S\$15.5m at 4Q17.
- Equity attributable to owners of the Company were S\$172.1m at 31 March 2018 vs S\$172.4m at 31 December 2017
- NAV per share at 31 March 2018 was at 33.36 cents vs 33.40 cents at 31 December 2017

# Summary Financials 1Q 2018

S\$m	1Q 2018	1Q 2017	Change
Revenue	92.2	74.5	23.7%
Gross Profit	24.7	21.7	13.7%
Operating expenses	18.4	18.0	2.1%
Operating profit	6.3	3.7	69.2%
EBIT	7.8	4.1	90.2%
Profit attributable to shareholders	5.7	3.0	90.0%
Gross margin (%)	26.8%	29.2%	-2.4pp
EBIT margin (%)	8.5%	5.5%	+3.0pp
Net margin (%)	6.2%	4.0%	+2.2pp
Operating cash flow from operations	-5.3	1.6	N.M.
Net Cash/(loan)	5.0	55.8	-91.0%
Order intake	68.9	117.9	-41.5%
Order book/backlog	148.6	204.2	-27.2%



# 1Q 2018 FX Movement

	<b>1Q 2018</b>	<b>1Q 2017</b>	<b>Variance (%)</b>
<b>USD/SGD:</b>	1.3234	1.4265	-7.22%
<b>GBP/SGD:</b>	1.8274	1.7703	3.22%
<b>AUD/SGD:</b>	1.0455	1.0662	-1.94%

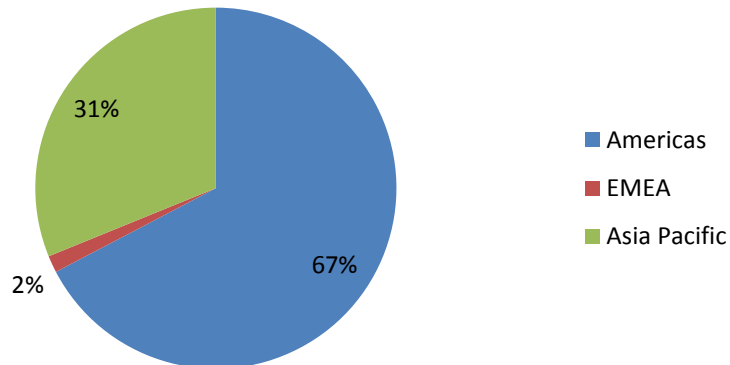
# 1Q 2018 Constant Currency

S\$M	1Q 2018	1Q 2017	Variance (%)	1Q 2018 Constant Currency	Variance (%)
<b>Revenue:</b>	92.2	74.5	23.7%	97.5	30.8%
<b>PATMI:</b>	5.7	3.0	90.0%	5.9	96.8%

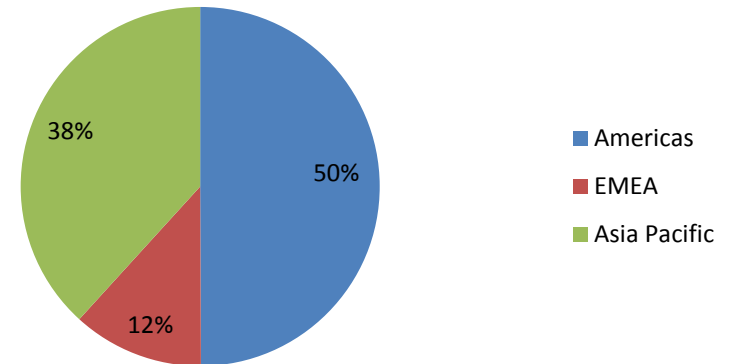
# Revenue by Geographical Region - 1Q 2018

S\$m	Q1 2018	Q1 2017	Var %
Americas	62.1	37.2	66.7%
EMEA	1.4	8.8	-84.1%
Asia Pacific	28.7	28.5	0.7%
Total	92.2	74.5	23.7%

Q1 2018



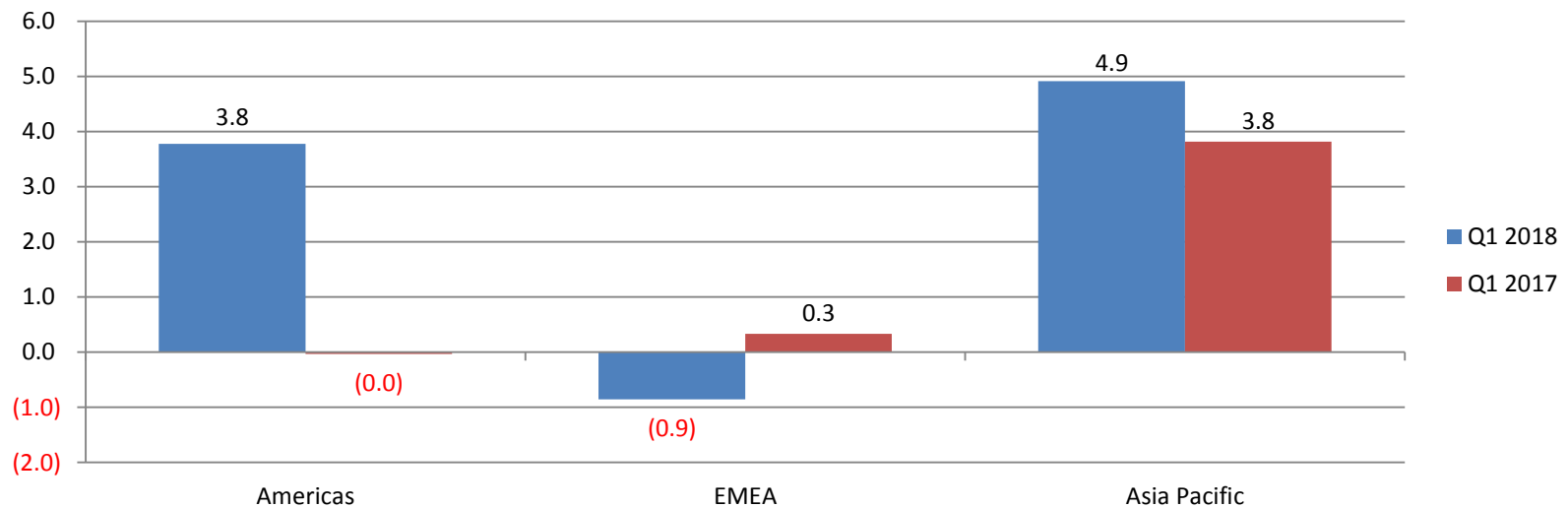
Q1 2017



# EBIT by Geographical Region - 1Q 2018

S\$m	Q1 2018	Q1 2017	Var %
Americas	3.8	(0.0)	N.M.
EMEA	(0.9)	0.3	N.M.
Asia Pacific	4.9	3.8	28.7%
Total	7.8	4.1	90.2%

**EBIT by Geography**

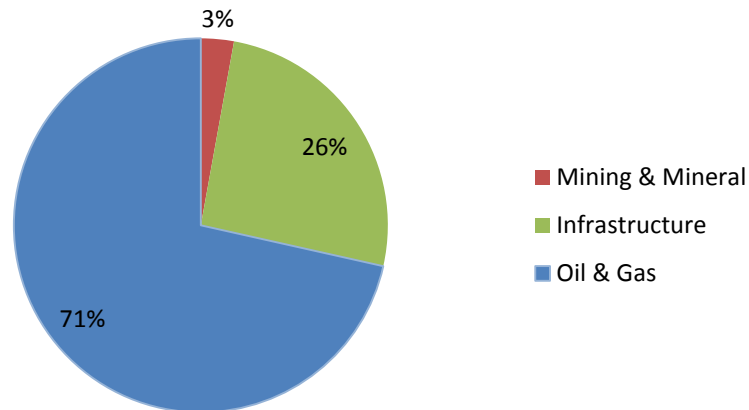




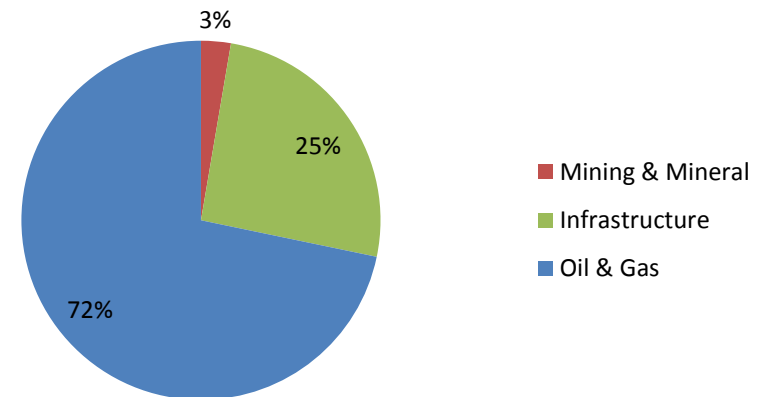
# Revenue by Industry - 1Q 2018

S\$m	Q1 2018	Q1 2017	Var %
Mining & Mineral	2.6	2.0	31.3%
Infrastructure	23.7	19.1	24.0%
Oil & Gas	65.9	53.5	23.3%
Total	92.2	74.5	23.7%

Q1 2018



Q1 2017



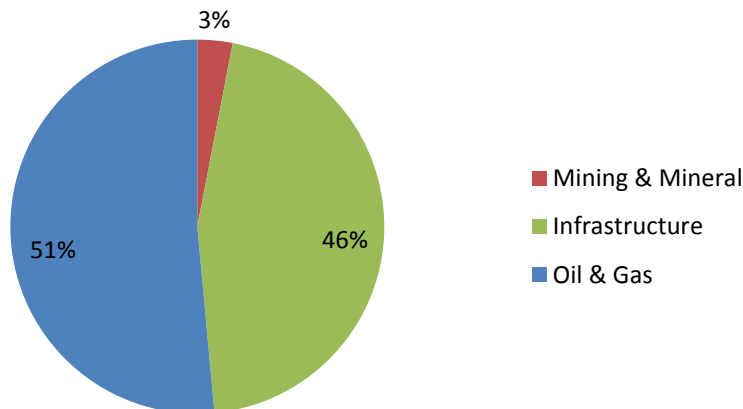
*Infrastructure: Power, Water, Waste Treatment & Transportation*



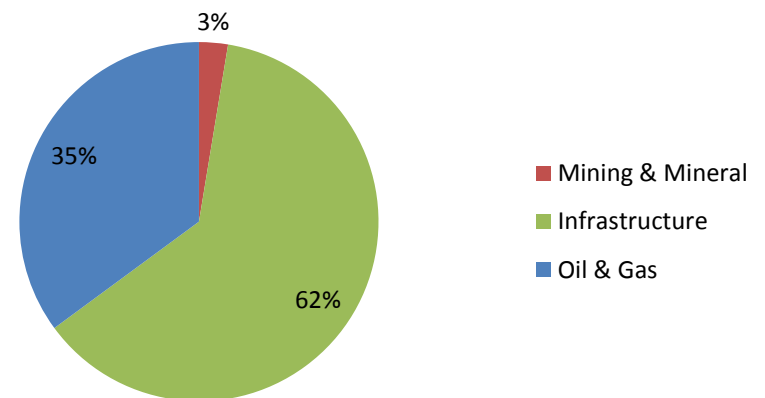
# EBIT by Industry -1Q 2018

S\$m	Q1 2018	Q1 2017	Var %
Mining & Mineral	0.2	0.1	122.4%
Infrastructure	3.6	2.6	38.9%
Oil & Gas	4.0	1.4	178.9%
<b>Total</b>	<b>7.8</b>	<b>4.1</b>	<b>90.2%</b>

**Q1 2018**



**Q1 2017**



*Infrastructure: Power, Water, Waste Treatment & Transportation*



# Revenue by Geographical Region - Qtrly Trends

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

# Revenue by Industry - Qtrly Trends

<b>S\$m</b>	<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>	<b>Q2 2017</b>	<b>Q1 2017</b>
<b>Mining &amp; Mineral</b>	2.6	11.9	2.7	9.1	2.0
<b>Infrastructure</b>	23.7	24.7	23.4	23.3	19.1
<b>Oil &amp; Gas</b>	65.9	80.1	59.4	53.2	53.5
<b>Total</b>	92.2	116.7	85.6	85.5	74.5

# FY 2018 Group Balance Sheet

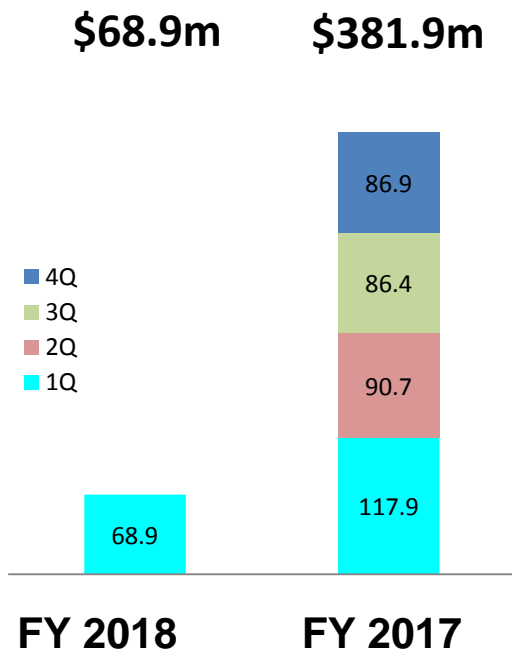
S\$M	31-Mar-18	31-Dec-17	30-Sep-17	30-Jun-17	31-Mar-17
<b>Cash at Hand &amp; Bank</b>	43.2	46.9	47.4	53.9	75.8
<b>Quoted Investments</b>	1.3	1.3	1.3	9.4	9.4
<b>Work in Progress (Net)</b>	57.9	53.7	41.4	38.4	42.3
<b>Inventories</b>	13.2	14.6	18.4	19.3	16.8
<b>Trade Receivable</b>	75.6	77.5	85.3	92.8	81.0
<b>Other Receivable</b>	15.7	17.1	12.5	9.5	12.9
<b>Trade Payable</b>	48.6	60.8	49.0	65.7	51.6
<b>Net Current Assets</b>	117.8	117.7	131.2	130.4	153.2
<b>Loan</b>	38.1	31.4	26.8	18.7	20.1
<b>Net Cash/(loan)</b>	5.0	15.5	20.6	35.2	55.8
<b>Shareholder Fund</b>	172.1	172.4	216.4	224.6	248.1

# 1Q 2018 Group Cash Flow Statement

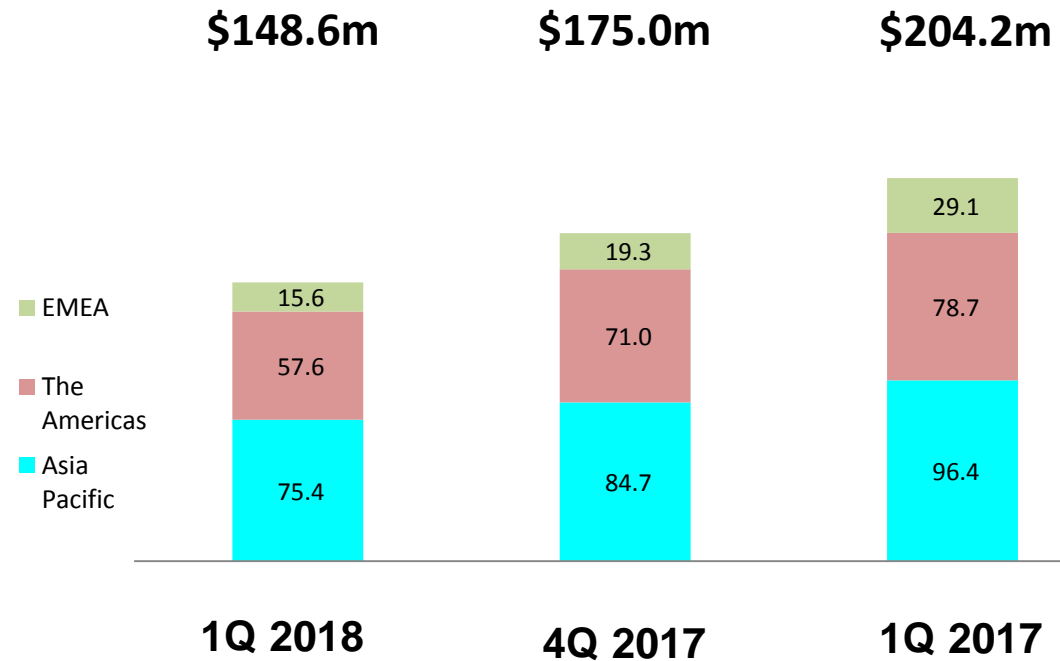
<b>S\$m</b>	<b>Q1 2018</b>	<b>Q1 2017</b>
<b>As at beginning of the period</b>	46.9	90.8
<b>Net Operations</b>	(5.3)	1.6
<b>Interest and tax</b>	(2.0)	(0.4)
<b>Capital Expenditure (Net)</b>	(0.9)	(3.5)
<b>Payment for subsidiary/assets acquired</b>	(1.0)	(8.2)
<b>Quoted Investment</b>	-	(2.1)
<b>Bank Loans</b>	6.1	(0.5)
<b>Dividends</b>	-	-
<b>Net effect of FX on cash</b>	(0.6)	(2.0)
<b>As at end of period</b>	43.2	75.8

# 1Q/ FY 2018 Orders

## New orders



## Outstanding orders



# Order Intake by Industry

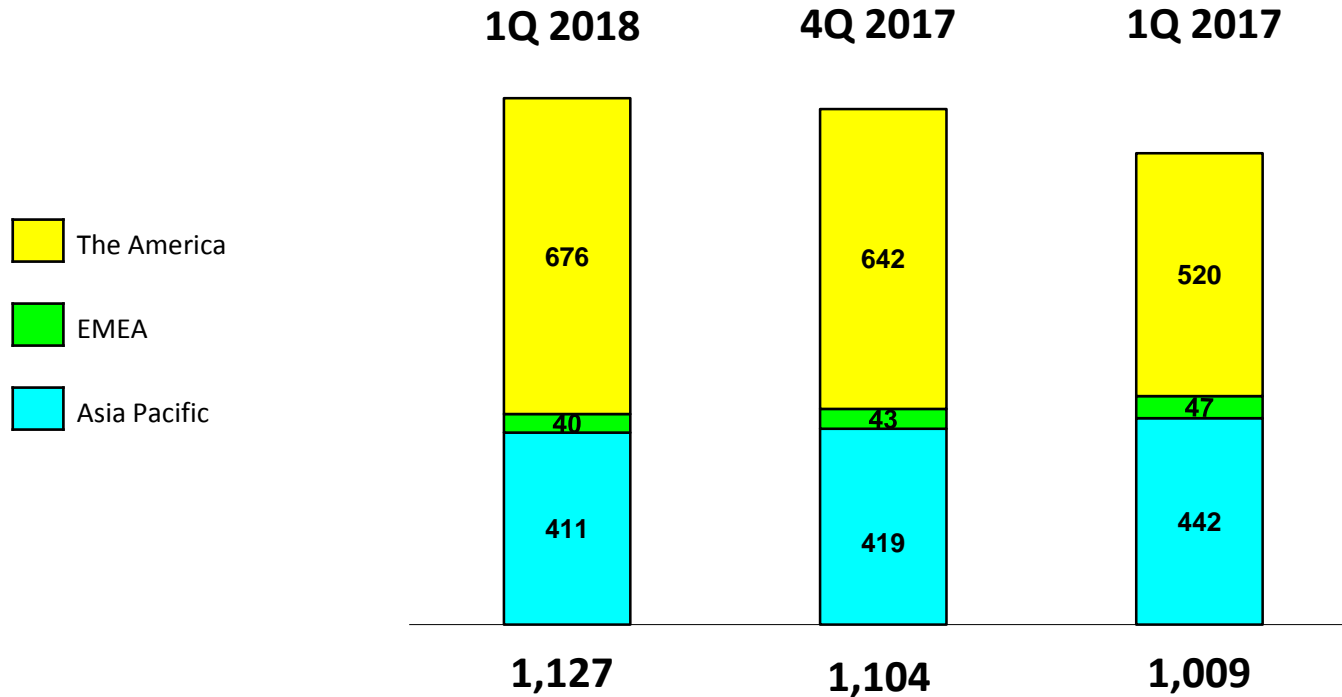
S\$m	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Oil & Gas	49.4	59.1	54.8	57.8	86.4
Mining	3.2	6.5	4.0	6.0	2.4
Infrastructure	16.3	21.2	27.6	27.0	29.0
<b>Total</b>	<b>68.9</b>	<b>86.9</b>	<b>86.4</b>	<b>90.7</b>	<b>117.9</b>



# Backlog by Industry

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

# Human Resource



Thank You

Questions & Answers