



CSE Global

Annual General Meeting Group CEO Presentation

20 April 2022

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About CSE Global

We are a solutions provider that serves customers across a global network.

We use our engineering experience and diverse skill sets to design and build customized, integrated systems for our customers that solve their problems.

You can count on us

We are a trusted industry partner to governments and renowned brands, globally.



Listed on the
Singapore Exchange
since **1999**

No problem is too big (or too small) for us

With our team being highly-skilled engineers with deep technical capabilities at our core, we thrive on delivering complex projects across industries.



80%
highly-skilled
engineers & technicians

We deliver what you need in a socially responsible way

Our smart systems are built-to-needs and highly customized to meet customers' needs.



**Greener
& smarter solutions**

We deliver consistent profitability and returns to shareholders, and chart a clear growth path

We have generated steady, reasonable returns and always seek ways to enhance shareholder value.



34 years
of profitable growth

We invest in our people

We believe in being collaborative, and people-centric, with our team culture and employee well-being as important areas of focus.



**Supportive
& open culture**

OUR GLOBAL FOOTPRINT



16
countries

45
offices

>1,400
employees

OUR SOLUTIONS ACROSS KEY SECTORS

Our systems sit at the heart of every infrastructure and are critical

- CCTV / Security Systems
- Emergency Safety Systems
- Facility / Integrated Control and Safety Systems
- Fire & Gas Systems
- IT/OT and Networking Services
- Industrial Cybersecurity and Hardening Service
- Operator Training Systems
- Process Control Systems
- Subsea Master Control Station (MCS)
- SCADA and Data Management Systems
- Subsea Electrical Power Units (EPU)
- Simulation, Testing & Support



1. Energy

- Offshore: shallow sea, continental shelf & deep sea
- Onshore: shale, pipeline & chemical/petrol-chemical



2. Infrastructure

- Transportation (road, rail, air)
- Power utilities (generation, distribution & storage)
- Water / wastewater utilities



3. Mining & Minerals

- Commodities & minerals: coal, gold, iron, copper, nickel & molybdenum

OTHER SECTORS

- Data Center
- Retail
- Hospitality
- Pharmaceutical
- Government

Business Updates

1

General Sentiments

- Covid-19 continues to cause disruptions to business
- Borders are mostly closed, with some states in lockdown
- Continue to face order delays, equipment deliveries and productivity issues

FY2021 Highlights:

- A resilient performance amidst uncertainty, healthy pipeline of orders with opportunities in Infrastructure
- Gross margins are stable
- Robust order intake of S\$462.1 million
- Order intake for Infrastructure sector grew by 23.8% to S\$147.7m
- Positive operating cash flow of S\$36.3 million
- Higher selling & distribution and quoting costs
- Unabsorbed labour costs as we keep our technical workforce

2

Segmental Performance

Building on FY2017/2018 initiatives, with a focus on US Energy and ANZ&SG Infra

1. Energy

- Lower large project bookings and slower activities in time and material jobs in USA
- Lower labour utilization
- Continues to see opportunities in this sector

2. Infrastructure

- Strengthening communications business in ANZ/UK and new regions through acquisitions
- Engaging more with the Singapore Government
- Actively pursuing opportunities and acquisitions in renewables and related infrastructure in USA

3. Mining & Minerals

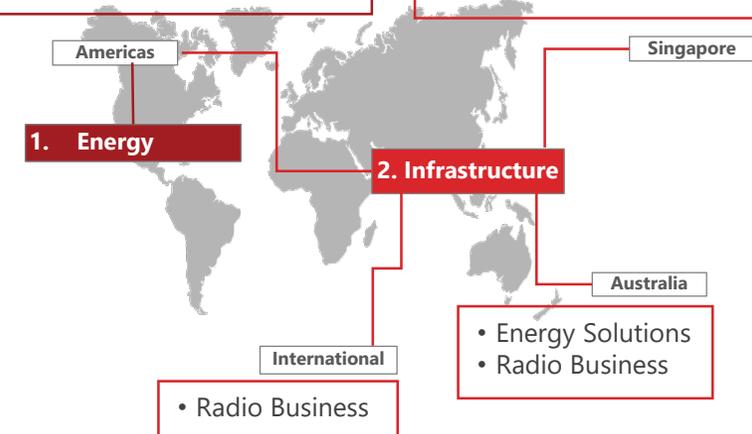
- Stable stream of flow projects

3

Key Strategies

- Small greenfield/brownfield projects in the Gulf of Mexico
- Pursuing opportunities in renewables and power/data center projects
- Expand geographical coverage

- Singapore Government
- Focus on security, transportation-related projects



Business Updates (cont'd)

4 Energy Prices

- Recovered above US\$90 per barrel
- Few large opportunities as energy companies remain cautious in approving new larger greenfield projects
- Remain selective in pursuit of new orders
- Flow orders stable
- Remain committed to have a strong presence to support our customers in USA

5 COVID-19 Updates

- Most operations are deemed essential services
- Hybrid workforce to support customers effectively
- Workforce mostly local, few migrant workers, limiting possible exposure from across borders
- Travel restrictions negatively impacted sales efforts, limiting on-the-ground support for projects in markets with little to no physical presence
- No material collectibility issues
- Future remains unknown as pandemic is evolving

6 Acquisition Strategy

- Acquisition remains a key growth strategy
- Large acquisitions for inroads into new markets/capabilities (to be driven by HQ)
- Small bolt on acquisitions for in-country expansions (to be driven by BU)
- Will acquire within means, whenever suitable opportunities arise
 - No high gearing

Group Performance in FY2021

Revenue

S\$468.7m

▼ 6.8%

Order Intake

S\$462.1m

▲ 7.1%

EBITDA

S\$42.8m

▼ 26.8%

Cashflow from Operations

S\$36.3m

▼ 25.1%

Net profit

S\$15.0m

▼ 46.4%

Return on equity

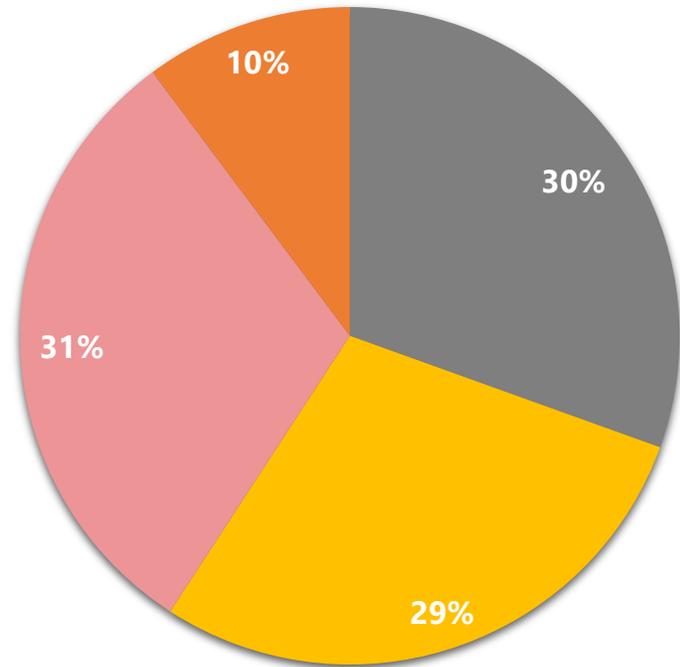
7.8%

▼ 6.8pp

Summary of Financials

S\$ million	FY2021	FY2020	Change
Revenue	468.7	502.8	-6.8%
Gross profit	135.9	146.2	-7.1%
Operating expenses	115.7	109.4	5.8%
EBITDA	42.8	58.4	-26.8%
Net profit attributable to equity owners of company	15.0	28.0	-46.4%
Gross profit margin (%)	29.0%	29.1%	-0.1pp
EBITDA margin (%)	9.1%	11.6%	-2.5pp
Net margin (%)	3.2%	5.6%	-2.4pp
Operating cash flow from operations	36.3	48.5	-25.1%
Net cash/(debt)	(48.9)	(39.0)	25.4%
Order intake - continuing operations	462.1	431.5	7.1%
Order book - continuing operations	229.4	236.0	-2.8%
ROE (annualised)	7.8%	14.6%	-6.8pp

FY2021 Revenue Breakdown By Industry Segments



Energy - Onshore
 Energy - Offshore
 Infrastructure
 Mining & Minerals

S\$ million	FY2021	FY2020	YoY%
Energy - Onshore	143.0	163.7	-12.6%
Energy - Offshore	134.3	177.5	-24.3%
Infrastructure	143.6	106.9	34.2%
Mining & Minerals	47.8	54.7	-12.6%
Total	468.7	502.8	-6.8%

Australia communications revenue:

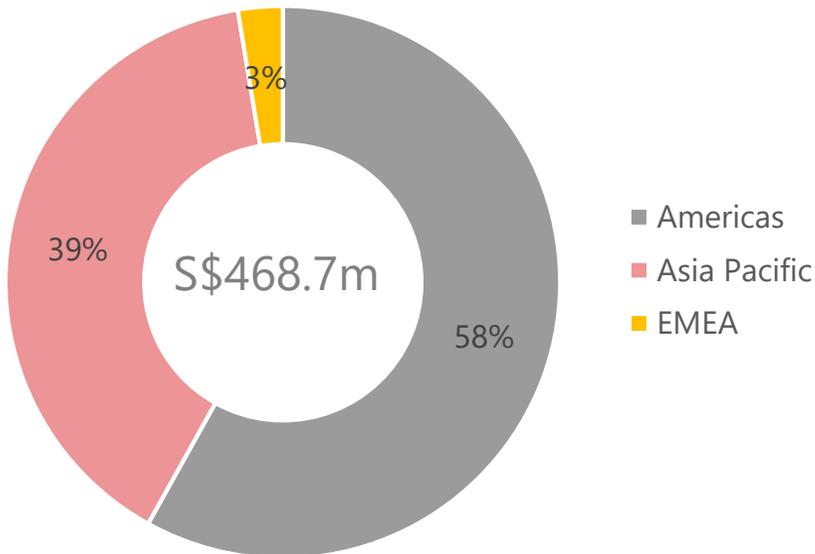
- FY2021 A\$89.1 million
- FY2020 A\$87.0 million

Infrastructure: Power, Water, Waste Treatment & Transportation

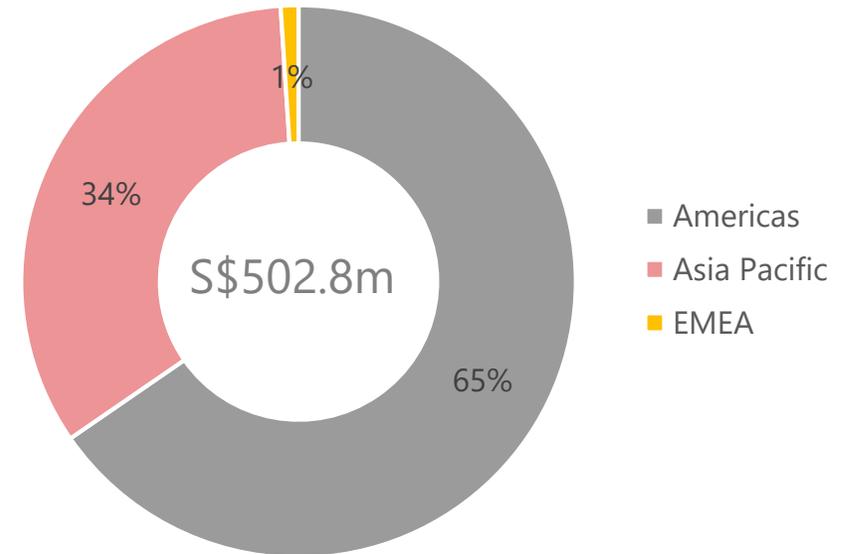
FY2021: Revenue Breakdown By Geographical Segments

S\$ million	FY2021	FY2020	YoY %
Americas	272.2	328.7	-17.2%
Asia Pacific	184.3	168.8	9.1%
EMEA	12.2	5.2	132.5%
Total	468.7	502.8	-6.8%

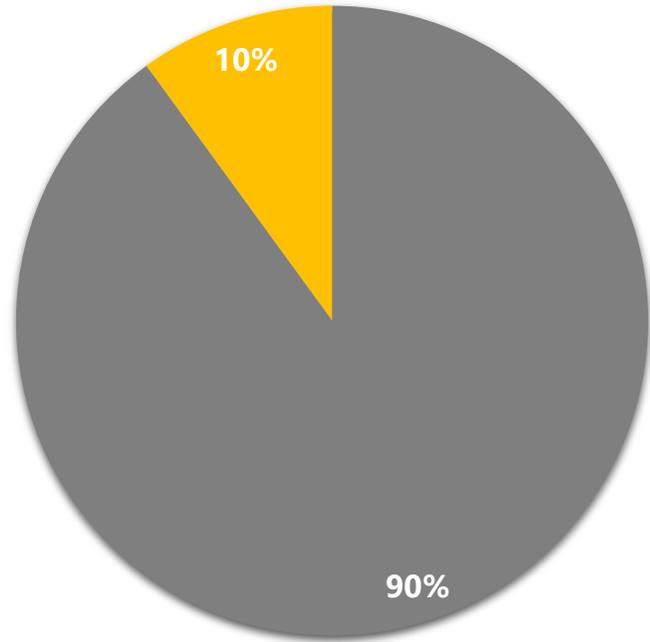
FY2021



FY2020



FY2021 Revenue Breakdown By Projects



■ Flow Business ■ Large Greenfield Projects

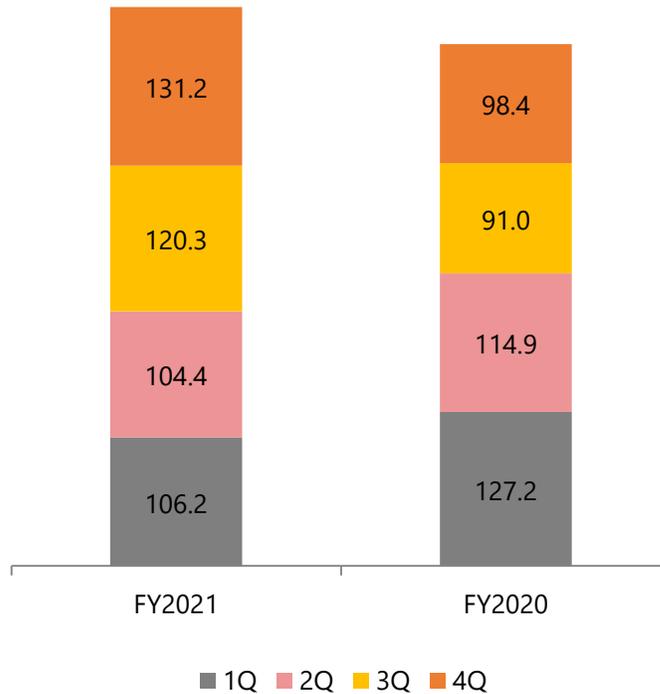
S\$ million	FY2021	FY2020	YoY%
Flow Business*	420.9	407.9	3.2%
Large Greenfield Projects	47.8	94.9	-49.6%
Total	468.7	502.8	-6.8%
Flow Business %	90%	81%	

*Includes Brownfield and Small Greenfield Projects which tend to be recurring in nature

FY2021 Order Intake/Book By Geographical Segments

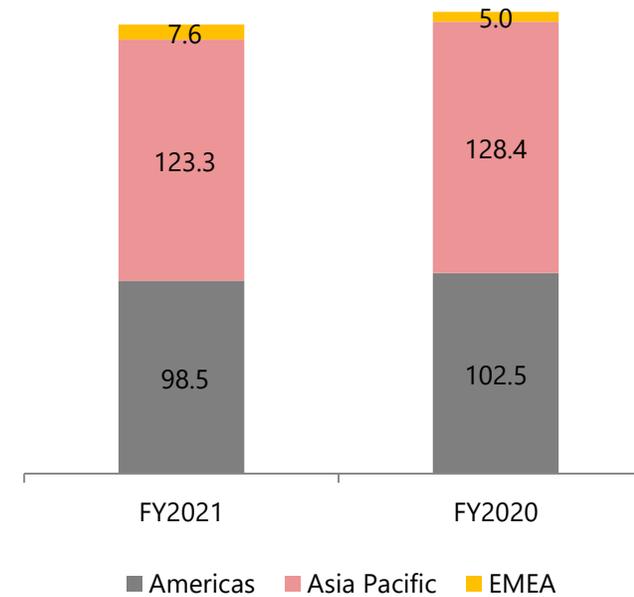
Order Intake from Continuing Operations

\$462.1m \$431.5m



Order Book from Continuing Operations

\$229.4m \$236.0m



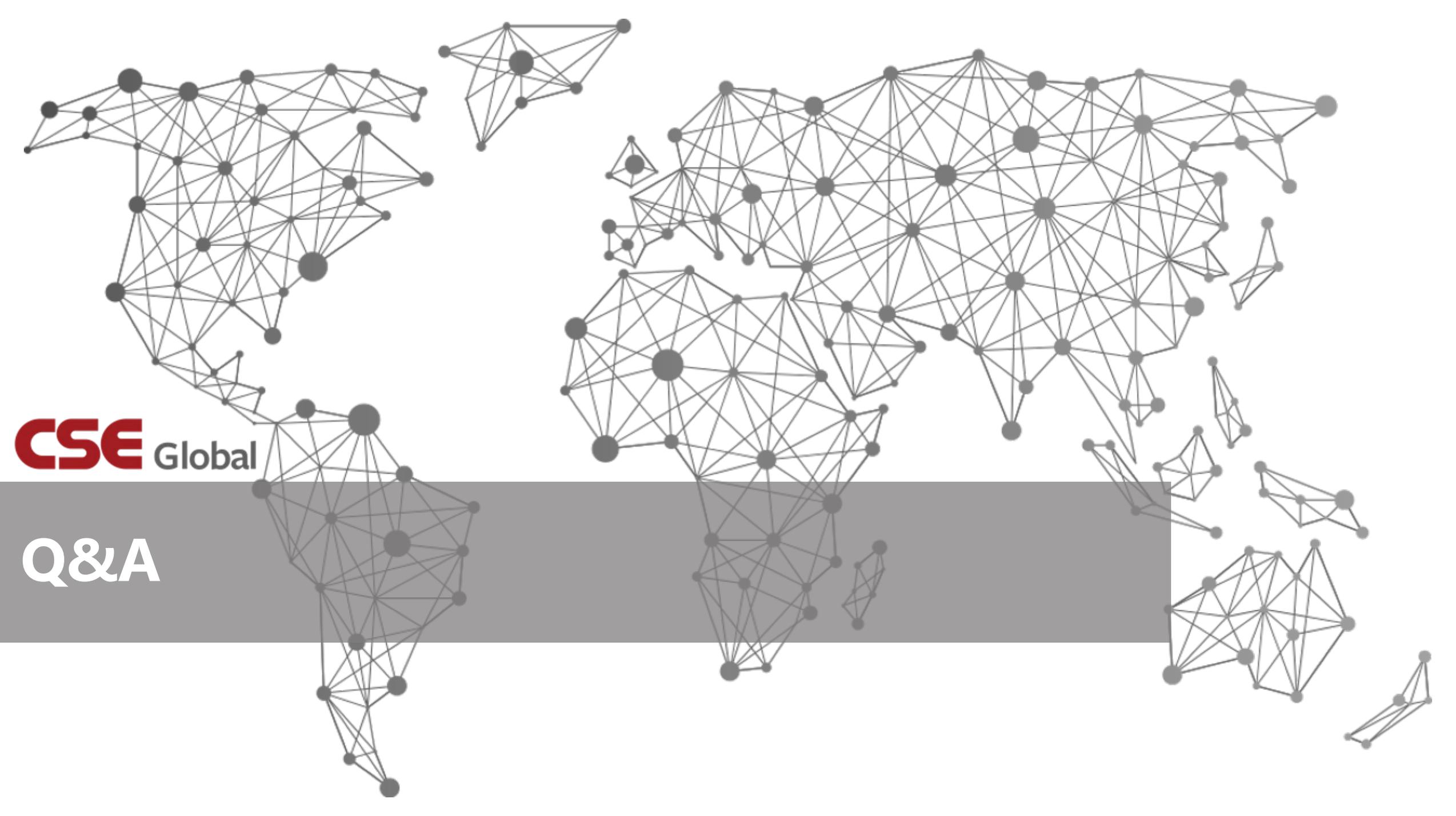
FY2022 Outlook

- The current COVID-19 pandemic and global economic outlook which is impacted by supply chain disruptions and travel restrictions continue to present uncertainties in the markets we operate.
- Our customers in the Energy sector remain focused on their capital spending discipline that led to fewer large greenfield projects in the last quarter and foreseeably in the coming months, which together with the higher operating and sales costs, will continue to weigh on the financial performance in the Americas region in 1H2022 but expect to improve in 2H2022.
- The recent surge in oil prices caused in part by the current situation in Ukraine will present additional opportunities for our Americas operations as our customers are likely to increase their investments. This remains uncertain at the moment and we will pursue these opportunities when they arise.
- We continue to see a stable financial performance in the Infrastructure and Mining & Minerals sectors, supported by a steady stream of projects arising from requirements in digitalization and enhancements in physical and cyber security.
- CSE has announced on 28 February 2022 that it has secured S\$78.1m of large projects in the first two months of 2022.
- Consequently, CSE remains confident to achieve a better financial performance in 2022.

Dividends

Singapore cents per share	FY2021	FY2020	FY2019
Interim Dividends	1.25	1.25	1.25
Final Dividends	1.50*	1.50	1.50
Payment Date	18 May 2022		
Book Closure	6 May 2022		
AGM	20 April 2022		

*** Proposes final dividend of 1.5 cents per share to be approved by shareholders at AGM on 20 April 2022.**



CSE Global

Q&A