

# CSE GLOBAL LTD

## Citi Asean Investor Conference 2010

12 August 2010  
Mandarin Oriental Hotel



Customer Satisfaction, **Everytime.**

## Milestones

- 1985 Commenced operations
- 1993-1995 Established presence in Thailand, Malaysia & India
- 1997 Management Buy-In
- 1999 Initial Public Offering
- 2000 Acquired W-Industries (US) and Servelec (UK)
- 2003 Acquired Transtel and established presence in Carmen, Doha, Dubai, Tehran, Soku, Muscat, Shanghai, Beijing and Jakarta. Acquired ttc in Slovakia as part of UK operations
- 2004 Acquired Uniserve (Australia) & RTUnet (Australia; product )
- 2006 Acquired Techno Trade (Belgium; product ) & Scomag (Scotland)
- 2008 Acquired W.Arthur Fisher (NZ) & Hankin Acquisition Corp (US)
- 2010 Acquired UK-based System Integration & Automation Ltd

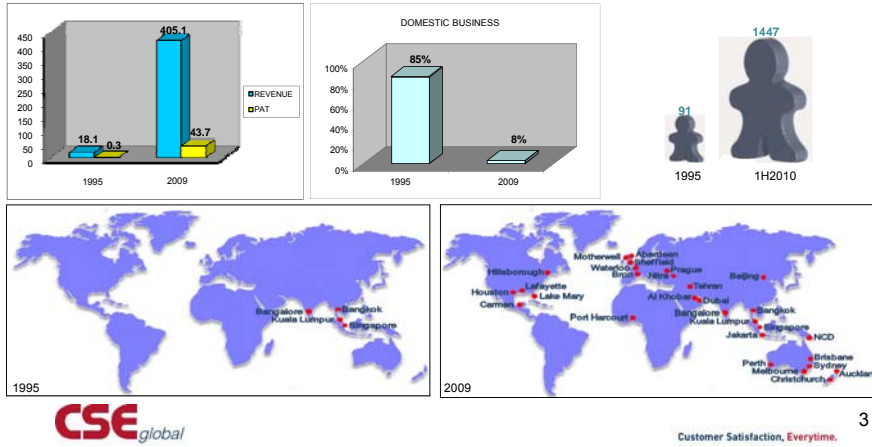


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# from NOTHING to SOMETHING

A TRULY GLOBAL TECHNOLOGIES COMPANY HEADQUARTERED IN SINGAPORE



# Core Business Segments

- ❑ Automation
- ❑ Telecommunication & Security
- ❑ Healthcare
- ❑ Environmental



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# Automation Solutions

## □ Process Control System

Hybrid or PLC-based system which monitors and controls the facility and auxiliary processing equipment. The system includes visualization of human machine interface (HMI), third-party control system interface and database management



## □ Safety Shutdown System

PLC-based or proprietary hardware based safety systems which monitor and controls the critical aspects of the production facility including the monitoring of combustible gas, toxic gas, smoke & fire. The (SIL)\* system will initiate orderly process shutdown in the event of serious process upset



\*Safety Integrity Level



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# Automation Solutions

## □ SCADA/Telemetry/Pipeline Control System

SCADA, which stands for Supervisory Control & Data Acquisition, refers to an industrial control computer system that monitors and controls an industrial infrastructure or facility, from a central location via remotely connected field PLCs or RTUs. The system also integrates the real time database with business system to provide totally managed asset based solutions and automated predictive based decisions. Application of SCADA includes pipeline control system to maintain correct pressure along the pipeline for the smooth flow of the fluid via the pumping station control

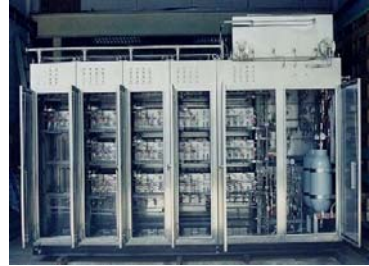


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# Automation Solutions

## □ Wellhead Control System

The system, hydraulic and/or pneumatic, is to control dry wellhead valves and flowlines, in single or multi-headed wellhead systems. The wellhead control panel logic is often interfaced to and/or controlled by the facility safety system.



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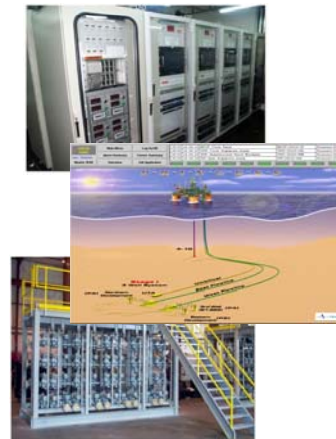
# Automation Solutions

## □ Subsea Control System

The Master Control System (MCS) is a PLC-based control system, which is installed on production facility, to monitor and control subsea wellheads. System includes visualization, data management, and interface to facility topsides control system

## □ Process Skid System

The chemical injection system, which consists of the skid assembly housing pumps, reservoirs, measurement & control devices and distribution circuitry, is to disperse a wide array of treatment chemicals into the production flow lines. Chemical injection is most often applied to subsea wellheads on offshore facilities



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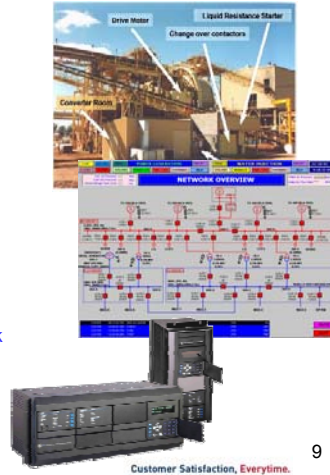
# Automation Solutions

- Electrical Drive and High/Medium Voltage System

The power conversion business incorporates various electrical control equipment including low/medium voltage variable speed drives and solid state soft starters, slip energy recovery drive and liquid resistance starters, all centered around the starting, running and electronic speed control of low, medium and high electric motors

- Electrical Protection and Control System

The protection system mainly deploys the GE Multilin range of products which cover motor protection, feeder protection, line protection, transformer protection and generator protection. The offerings include industrial network & network security design, and implementation to protect real-time process control and SCADA systems of critical infrastructure systems.



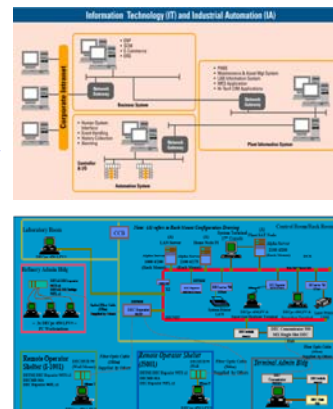
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# Automation Solutions

- Plant Information Management System (PIMS)

PIMS is the heart of an enterprise-wide real time information infrastructure that transforms real-time data into operation intelligence, and integrates production information with the enterprise business system. The system captures raw data from any control systems and, through a suite of user configurable reporting, analysis and web software tools, displays current and past operating conditions on the desktops for the enterprise. The information is also stored online at its original resolution for subsequent analysis



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# Automation Solutions

## □ Traffic Management & Control System

TMC is an application of advanced technologies like electronics, communication, control and information technology for the benefit of more effective road transportation. CSE has built up and established its competency and capability to provide intelligent transportation solutions such as :

- Electronic Road Pricing System
- Urban Traffic Control System
- Electronic Toll Collection System
- Motorway and Tunnel Management System
- Communication Backbone System
- Electronic Information Display System
- Over-height Vehicle Detection System

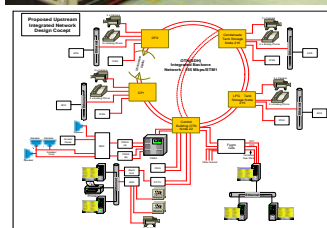


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# Telecommunication & Security Surveillance Solutions

## □ Integrated Communication Network and Physical Security System

Design and provision of turnkey telecom infrastructures solutions in the oil & gas, and energy industries. The systems are custom designed, engineered and built for onshore and offshore facilities such as offshore platforms, onshore processing facilities like refineries, LNG plants, gas plants and petrochemical plants, and power generation plants.



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# Telecommunication & Security Surveillance Solutions

## □ Services provided include:

*Satellite Communications Systems (VSAT) Fibre Optic  
Communication System Wireless Solutions*

- Microwave
- Microwave radio system
- Point-to-point and point-to-multipoint microwave radio system
- Spread Spectrum radio system

*Radio systems*

- SSB
- UHF/VHF digital radio system
- Trunked radio system

*Other Systems*

- CCTV surveillance system
- PABX telephone system
- Public address & intercom system
- Environmental monitoring system



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# Healthcare Solutions

## □ Electronic Patients Care Record System

The RiO software package covers Mental Health, Community Health and Child Health with the different care settings being accommodated via the configuration of the system. RiO is a clinically rich package designed to be used by clinicians for themselves and for the benefit of their patients. The core of the system is a person-centric administration, and with other key functions such as:

- . Case notes
- . Assessments
- . Care plans
- . Mental Health Act administration
- . Appointment scheduling
- . Clinic management
- . In-patient management
- . Reporting
- . Care setting functionality



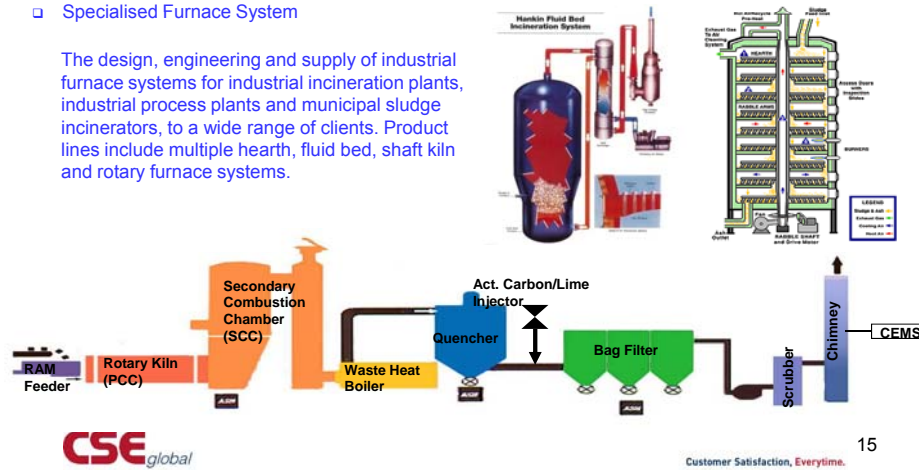
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# Environmental Solutions

## Specialised Furnace System

The design, engineering and supply of industrial furnace systems for industrial incineration plants, industrial process plants and municipal sludge incinerators, to a wide range of clients. Product lines include multiple hearth, fluid bed, shaft kiln and rotary furnace systems.



# 2Q 2010 Highlights

- Revenue increased by 15.5% as compared to 2Q09 due to more projects recognition from Gulf of Mexico, UK Healthcare projects, and consolidation of newly-acquired SIA
- Gross margin at 39.7%, vs 41.0% in 2Q09
- PATMI up 24.6% due to improved performance from CSE Global UK, WI and Transtel
- Strong operating cash generation of S\$30.4M
- New orders for the quarter totaling S\$116.4M
- Sale of treasury shares for S\$37.9M in April 2010

## 2Q 2010 Results

S\$M

	<u>2Q2010</u>	<u>1Q2010</u>	<u>Variances (%)</u>	<u>2Q2009</u>	<u>Variances (%)</u>
Revenue	110.4	100.7	9.6	95.6	15.5
GM (%)	39.7	37.8	1.9	41.0	(1.3)
G & A	23.5	22.9	2.6	21.2	10.7
PATMI	15.0	11.3	32.7	12.1	24.6
Net Margin (%)	13.6	11.2	2.4	12.6	1.0



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## 1H 2010 Highlights

Revenue	↑	10.8% to S\$211.1M
PATMI	↑	30.6% to S\$26.3M
Gross Margin	↓	from 39.8% to 38.8%
Operating Cash	↓	from S\$25.1M to S\$21.4M
EPS	↑	4.2 cents to 5.4 cents
New Orders	↑	up 9.6% to S\$267.8M
ROE	↓	from 34.0% to 30.4%
Net Borrowing	↓	from S\$74.5M to S\$33.9M
Net Gearing	↓	from 63.1% to 19.6%



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# 1H 2010 Results

*S\$M*

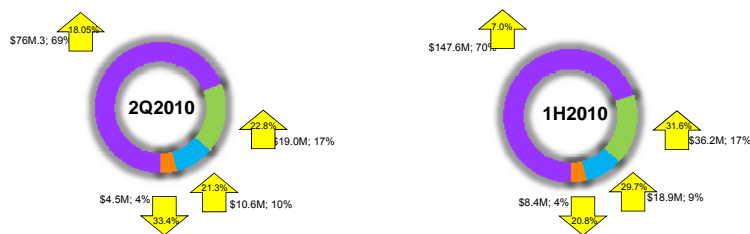
	1H2010	1H2009	Variances (%)
Revenue	211.1	190.6	10.8
GM (%)	38.8	39.8	(1.0)
G & A	46.4	46.3	0.3
PATMI	26.3	20.2	30.6
EPS (cents)	5.4	4.2	27.0
Net Margin (%)	12.5	10.6	1.9



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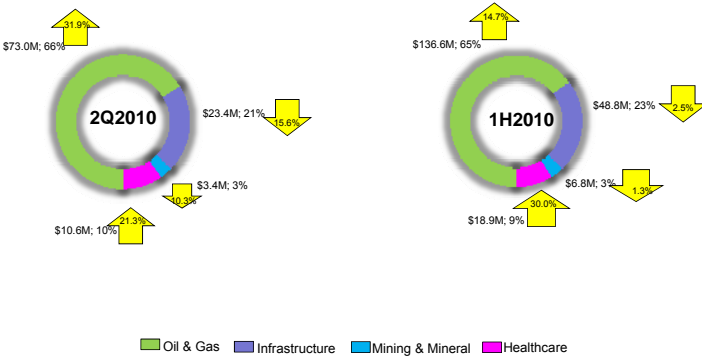
# Performance by Business Solutions



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# Performance by Industries



# Performance by Geographical Region



# 1H 2010 Group Balance Sheet

S\$M

	<u>1H2010</u>	<u>1Q2010</u>
Cash at Hand & Bank	69.3	49.4
Project Net WIP	74.7	94.5
Receivable	91.9	86.8
Payable	55.4	54.9
Loan	103.2	131.0
Net Loan	33.9	81.6
Shareholder Fund	172.9	144.4
Net Gearing (%)	19.6	56.5



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# 1H 2010 Group Cashflow

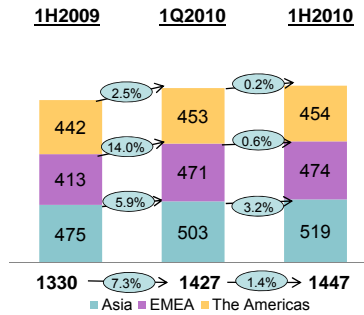
S\$M

	<u>2Q2010</u>	<u>1Q2010</u>	<u>1H2010</u>	<u>1H2009</u>
As at beginning of quarter /half-year	49.4	56.1	56.1	42.6
Proceed from sales of treasury shares	37.9	--	37.9	--
Net additional investment in subsidiaries & associates	--	(18.2)	(18.2)	0.3
Net Operations	30.4	(9.0)	21.4	25.1
Capital Expenditure	(1.5)	(1.0)	(2.5)	(1.5)
Bank Loans	(27.6)	22.5	(5.1)	(1.1)
Dividends	(17.9)	--	(17.9)	(14.3)
Net effect of FX on cash	(1.4)	(1.0)	(2.4)	1.4
As at end of quarter/half-year	69.3	49.4	69.3	52.5



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# Human Resource Growth



\*Acquisition of System Integrated & Automation Limited in March 2010 (46 staff)

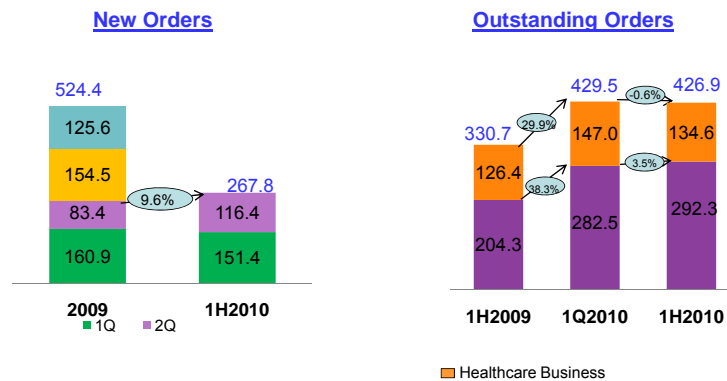


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# 1H 2010 Orders

S&M



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# Riding Out The Economic Storm

S\$M

*The numbers speak for itself*

	<u>4Q2008</u>	<u>1Q2009</u>	<u>2Q2009</u>	<u>3Q2009</u>	<u>4Q2009</u>	<u>1Q2010</u>	<u>2Q2010</u>
Revenue	113.8	95.0	95.6	101.7	112.8	100.7	110.4
GM (%)	38.4	38.6	41.0	34.2	41.7	37.8	39.7
PAT	8.0	8.1	12.1	12.0	11.5	11.3	15.0
Net Borrowing	85.6	84.2	74.5	54.8	53.7	81.6	33.9
Net Gearing (%)	79.0	70.9	63.1	42.7	39.3	56.5	19.6
Outstanding Orders	269.5	342.8	330.7	376.0	388.8	429.5	426.9

Average Forex Rate

	<u>2008</u>	<u>1H2010</u>	<u>Δ (%)</u>
USD	1.415	1.3930	(1.5)
£	2.602	2.130	(18.1)
AUD	1.198	1.248	4.1
€	2.076	1.847	(11.0)

Constant challenge faced via strengthening of S\$

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global

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# Historical Performance

S\$M

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>1H2010</u>
Revenue	267.3	334.5	404.7	441.5	405.1	211.1
GM (%)	32.7	32.8	36.5	37.4	38.9	38.8
PATMI	22.1	29.1	42.1	48.3	43.7	26.3
Net Margin (%)	8.3	8.7	10.4	10.9	10.8	12.5
New Orders	362.8	458.8	435.1	425.9	524.4	267.8
ROE (%)	25.3	29.8	30.9	44.6	32.0	30.4
Op Cash Generation	6.4	16.8	41.2	19.6	48.5	21.4
EPS (cents)	6.76	5.83	8.33	9.65	9.17	5.4

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# Operating Capital Efficiency

\$M

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	1H2010	Total
Revenue	55.9	105.6	113.9	143.2	169.0	198.5	267.3	334.5	404.7	441.5	405.1	211.1	2850.3
PAT	7.8	13.7	4.1	12.1	14.2	17.4	22.1	29.1	42.1	48.3	43.7	26.3	280.9
New Capital	14.3	27.1	0.4	18.2	1.6	3.0	3.6	2.6	1.4	(26.5)	--	37.9	83.6
Divestment of non-core business / assets	--	2.8	1.0	--	4.4	1.1	2.4	7.6	--	--	--	--	19.3
CapEx	1.3	7.3	7.5	1.4	1.5	3.6	4.3	3.5	3.3	2.9	3.1	2.5	42.3
Acquisition	0.3	79.8	3.8	19.6	7.5	19.5	10.3	30.7	3.9	8.9	0.0	18.2	202.5
Dividend	--	--	--	--	2.4	5.1	6.5	8.3	11.8	22.8	14.3	17.9	89.1

102.9

333.9

\* Net borrowing @ 1H2010 = S\$33.9M  
 Net gearing @ 1H2010 = 19.6%  
 Cash Generation (333.9-102.9-33.9) = S\$197.1M



# 2010 Business Outlook

- Strong recovery in the oil & gas business, and the downstream oil & gas activities are still buoyant in Middle East
- Healthcare business also continues to perform well with the existing orders on hand; and will continue to work on other opportunities for the healthcare business in UK with new products bringing to the market, namely Oceano and Pics for the Acute Market
- In 2010, no adverse impact from the BP's oil spill in GOM, as the US operation has secured sufficient projects to deliver a good performance. Moreover, the GOM project only contributed a small percentage to the group revenue, and hence the impact to the Group performance would be minimum
- The Government announcement of a mining 'super tax' in early May causes some delay in orders award. Subsequently, the Government backs down on the proposed mining tax, and the miners welcomed the new Mineral Resource Rent Tax (MRRT). We are seeing improvement in orders secured after the new MRRT announcement



# 2010 Business Outlook

- Strong outstanding orders of S\$426.9M as at 31 June 2010, coupled with the steady flow of brown field business, will enable the Group to deliver a good performance in 2010
- Good operating cash generation and the 35-million treasury shares placement has strengthened the Group balance sheet; the Group is always on the lookout for potential acquisition targets