



**CSE** Global

**SHAREHOLDER DIALOGUE SESSION**

17 November 2022

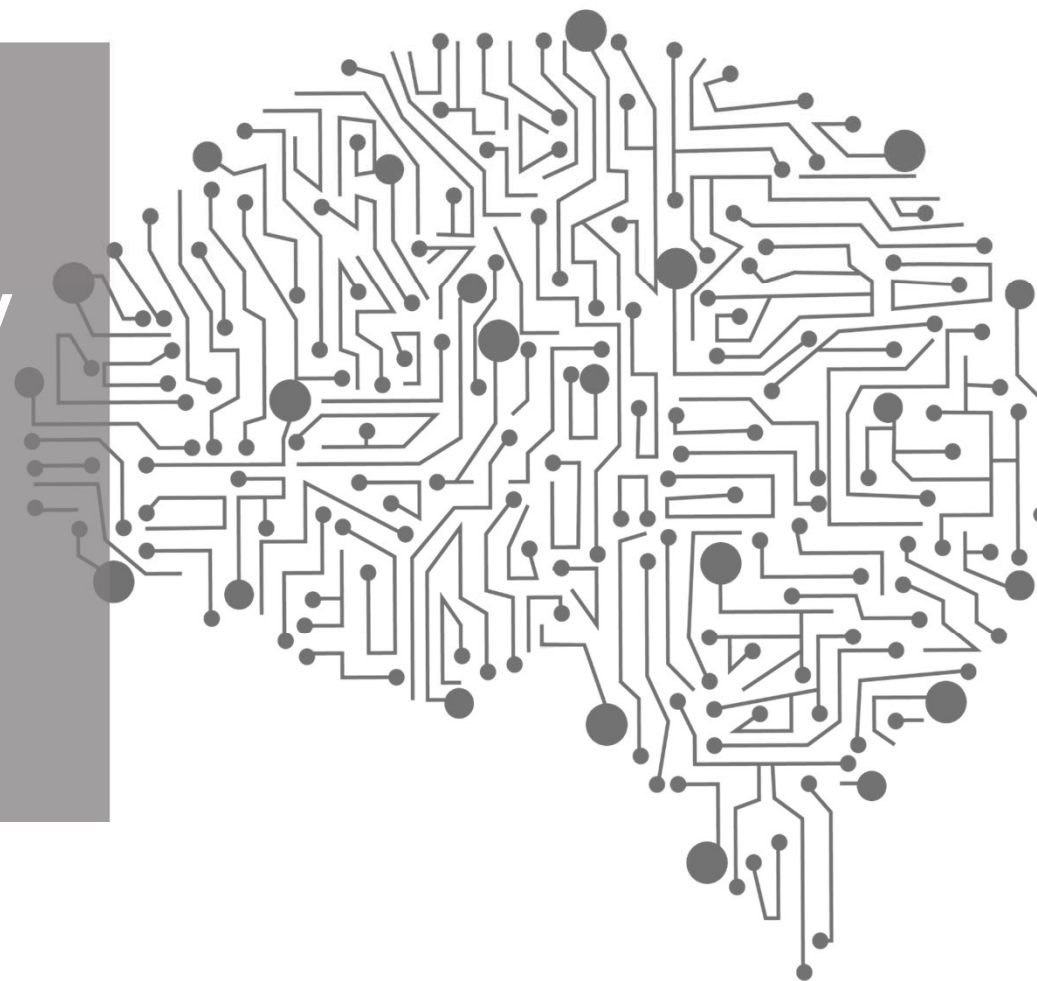
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**1 Business Updates /Strategy**

# 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

**CSE** Global

## OUR GLOBAL FOOTPRINT



**16** countries

**45** offices

**>1,500** 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
- Renewables



### 2. Infrastructure

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



### 3. Mining & Minerals

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

### OTHER SECTORS

- Retail
- Transport
- Hospitality
- Pharmaceutical
- Government

# Order Intake in 9M2022

Industry Sectors	3Q2022	3Q2021	Variance %	9M2022	9M2021	Variance %
<b>Energy</b>	86,795	73,750	17.7%	325,069	180,139	80.5%
<b>Infrastructure</b>	55,065	35,936	53.2%	208,760	115,629	80.5%
<b>Mining &amp; Minerals</b>	23,036	10,623	116.9%	52,799	35,096	50.4%
<b>Total</b>	164,896	120,309	37.1%	586,628	330,864	77.3%

# Key Strategies



**Energy  
(Americas)**

- Small greenfield / brownfield projects in the Gulf of Mexico
- Shale projects in the US (Permian Basin & Eagleford)
- Expand geographical coverage
- Diversify into renewables



**Infrastructure  
(Singapore)**

- Singapore Government
- Focus on security, transportation related projects



**Infrastructure  
(Australia/NZ)**

- Energy Solutions
- Radio Business

**Infrastructure  
(UK/Americas)**

- Radio Business
- Diversify into data centres, water utilities, building automation and security

# Market and Sector Outlook



- Supply chain disruptions
- Inflationary pressures
- Manpower constraints

## Segments

### 1. Oil & Gas

- Continued high level of activities for small greenfield and brownfield projects
- Lack of opportunities in large greenfield project (offshore)

### 2. Renewables

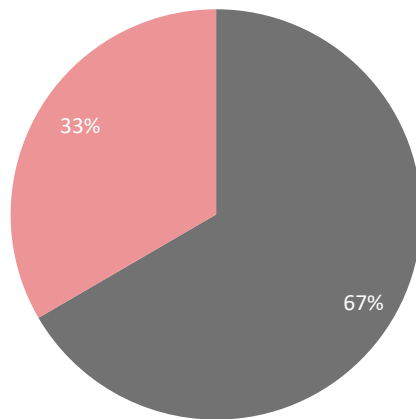
- Gaining traction in USA and Australia/NZ

### 3. Infrastructure, Mining & Minerals

- Continued high level of activities in USA, Singapore, Australia/NZ and UK

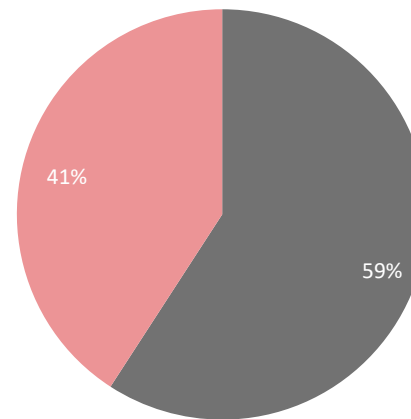
# Non-O&G Business Share grows further

FY2018



■ Energy ■ Infrastructure & Others

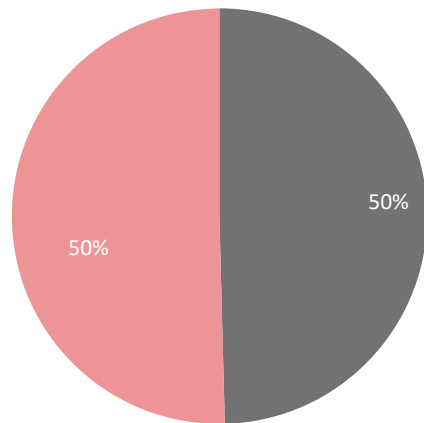
FY2021



■ Energy ■ Infrastructure & Others

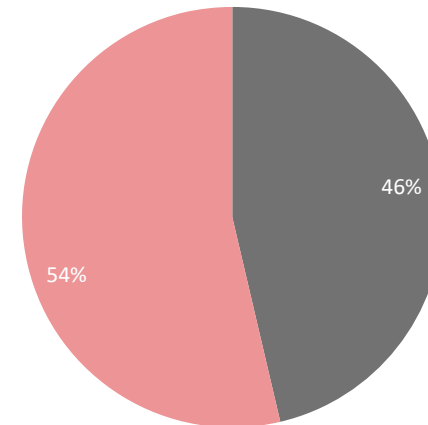
# Non-O&G Business Share grows further

1H2022 annualised



■ Energy ■ Infrastructure & Others

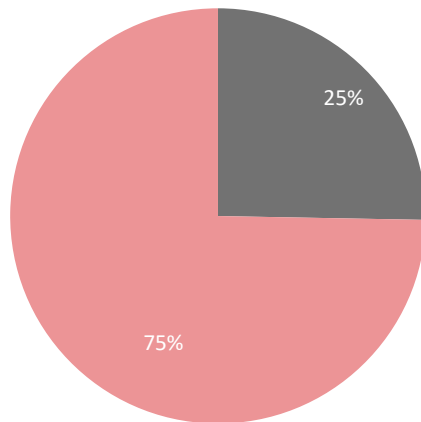
1H2022 annualised +  
Proposed Acq 1



■ Energy ■ Infrastructure & Others

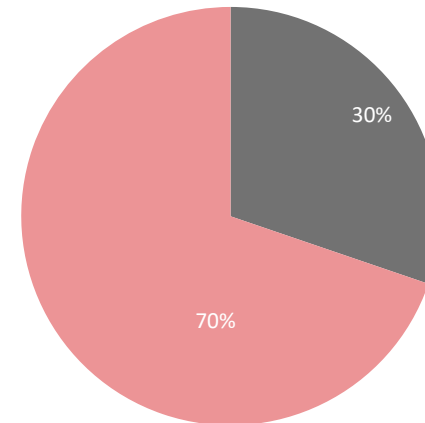
# Increase in share of Communications Business

1H2022 annualised



■ Communications ■ Others

1H2022 annualised +  
Proposed Acq 1

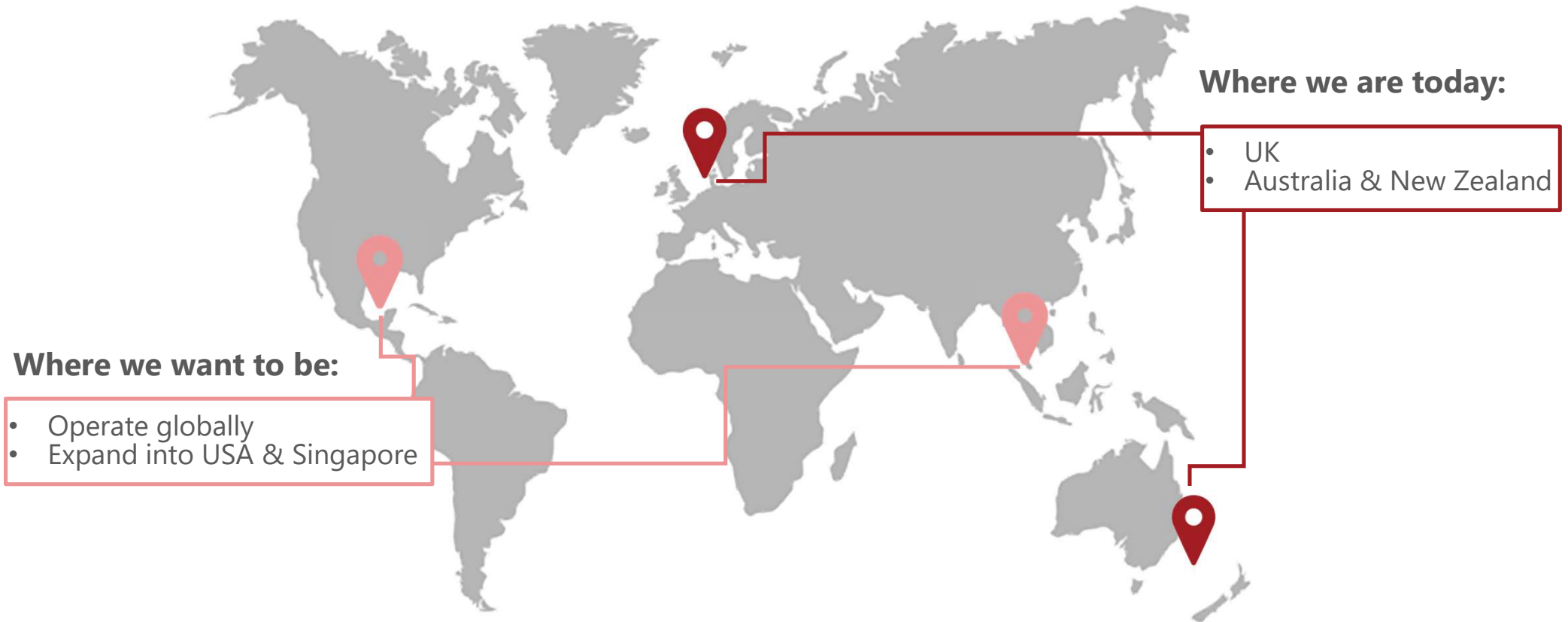


■ Communications ■ Others

# Communications Business (within Infrastructure & Mining/Minerals)

## Our Solutions

- Private network
- Provides push-to-talk (PTT) and public switch telephone network (PSTN) using tetra radio/LTE network



## 2 Proposed Acquisitions

# Rationale for the Proposed Acquisition (1)

- Complementary to existing radio communication businesses in Australia and New Zealand
- Accelerate growth, gain market share
- Acquisition PE 8.8x, earnings accretive
- Operational synergies – anticipated savings of NZD 0.5m per annum

(refer to SGXNET announcement on 8 November 2022 for further details)

## Rationale for the Proposed Acquisition (2)

- Complementary to existing radio communication businesses
- Accelerate growth, new market in USA
- Acquisition P/E to be advised, earnings accretive



# Rights Issue

Rights Type	Renounceable, non-underwritten
Approval in principle	1 <sup>st</sup> November 2022
Allotment	1 new shares for 5 existing shares
Rights Price	\$0.33 per ordinary share
Issue Size	Gross proceeds of S\$33.8m
Use of proceeds	To finance acquisitions
Heliconia & 3 Directors	To subscribe for their entitlements (28.2%)

# Why the Rights?

## From an operational perspective

- Net gearing at 30 June 2022 at **39%**
- Net gearing expect to be around **50%** (post-rights) vs 75% if funded via bank borrowing
- Proceeds raised to partially fund acquisitions
- Large backlog orders to execute in the coming months – need working capital
- Keep headroom in banking facilities

## From a shareholder perspective

- Rights allows participation (vs placement)
- 20.5% discount to last trading price S\$0.415
  - balance between proceeds raised and attractiveness

## DIVIDENDS

The Board intends to maintain its current per share dividend as the acquisitions will generate additional profits and cash flow in the future.



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Q&A



# Financial effects of Proposed Acquisition (1)

## Assumptions

- The financial effects of the Proposed Acquisition (1) on the net tangible assets (“**NTA**”) per share and earnings per share (“**EPS**”) of the Company have been prepared based on the Group’s audited financial statements for the financial year ended 31 December 2021. The financial effects below are purely for illustrative purposes.
  - the total acquisition cost is NZD 25 million (approximately equivalent to S\$20.4 million);
  - the Proposed Acquisition (1) is assumed to be undertaken entirely by way of a non-underwritten renounceable rights issue at an issue price of S\$0.33 per share, and assumes the proceeds to fully fund the purchase consideration of the Proposed Acquisition (1);
  - the exclusion of financial effects of purchase price allocation under SFRS(I) 3, for illustrating the financial effects on the consolidated NTA and EPS of the Group;
  - the exclusion of transaction costs for the Proposed Acquisition (1);
  - the exclusion of operational savings from synergies with the Proposed Acquisition (1); and
  - the Target Group’s financial information in NZD have been translated based on an exchange rate of NZD 1: S\$0.8171.

# Financial Effects of Proposed Acquisition (1) – NTA

- Assuming that the Proposed Acquisition (1) had been effected on 31 December 2021 (being the end of the most recently completed financial year ended 31 December 2021), the effects on the NTA per share of the Company would be as follows:

	Before the Proposed Acquisition (1)	After the Proposed Acquisition (1)
NTA (S\$ million)	133.5	139.4
Number of ordinary shares ('million)	512.4	574.3
NTA per ordinary share (cents)	26.06	24.27

# Financial Effects of Proposed Acquisition (1) – EPS

- Assuming that the Proposed Acquisition (1) had been effected on 1 January 2021 (being the beginning of the most recently completed financial year ended 31 December 2021), the effects of the Proposed Acquisition (1) on the EPS of the Company would be as follows:

	Before the Proposed Acquisition (1)	After the Proposed Acquisition (1)
Profit attributable to shareholders (S\$ million)	15.0	17.3
Weighted average no. of ordinary shares – Basic ('million)	512.1	574.0
EPS (cents) – Basic	2.93	3.02

\*Excludes operational savings of NZD 0.5m

# Timetable

Date	Event
1 Nov 2022	Receipt of Approval in Principle (AIP) from SGX
2 Nov 2022	Announcement on AIP
22 Nov 2022	Last day for share to trade cum-rights to the Rights Issue
23 Nov 2022	Shares trade ex-rights to the Rights Issue
24 Nov 2022	- Lodgment of OIS with MAS - Book Closure Date (BCD) for Rights Issue
29 Nov 2022	Commence trading of nil-paid rights entitlement
7 Dec 2022	Last day for trading of nil-paid rights entitlement
13 Dec 2022	Closing date for Rights Issue acceptances, renunciation and payment
21 Dec 2022	Listing and quotation of Rights Shares