



CSE Global

Annual General Meeting Group CEO Presentation

20 April 2023

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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

CSE Global

OUR GLOBAL FOOTPRINT



16
countries 

57
offices 

>1,800
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 FY2022 Highlights

- FY2022 – a challenging year
- One of our US division had made execution mistakes
- Project cost overruns – \$5.9m
- Made changes in organisation, retrenchment cost – \$1.3m
- Supply chain disruptions continue to affect our operations resulting in longer lead time to convert an order into revenue
- Increased costs
- Gross margins impacted, lower at 26.2%
- Continued to build our infrastructure business via acquisitions and organically through sales, marketing, engineering support and capacity enhancement, resulting in increase in overheads by >\$10m
- Diversification on track, non-oil & gas orders > 50%, orders for infrastructure sector grew 131.2% year-on-year to \$341.6m
- Overall, group had a strong order intake of \$808.4m, closed the year with a robust order book of \$480.1m

2 Segmental Performance

Building on our diversification strategy - focus on US Energy and ANZ/SG/UK/US Infra

1. Energy

- Few large opportunities as oil companies remain cautious in approving new larger greenfield projects
- Higher orders from flow business
- Actively pursuing opportunities and acquisitions in renewables and related infrastructure

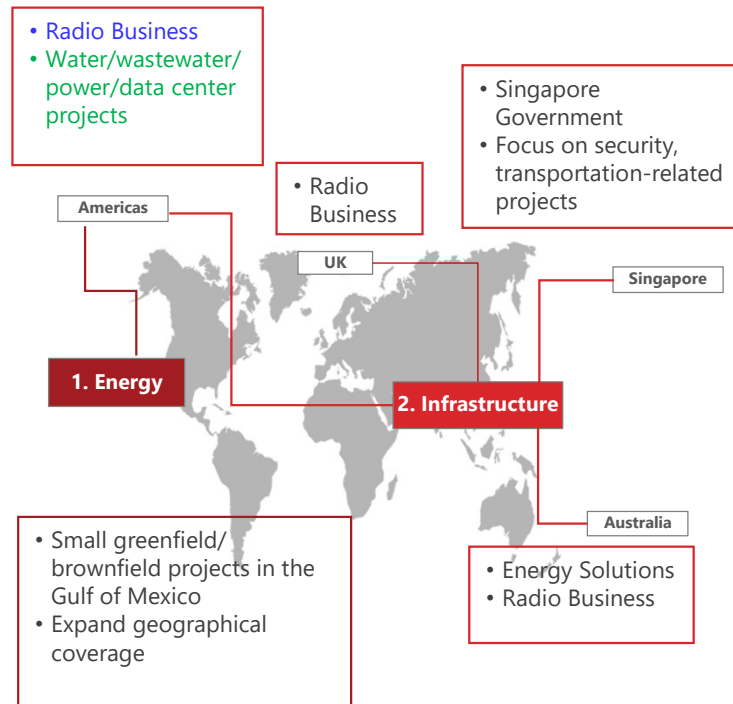
2. Infrastructure

- Completed the acquisition of DTS, Gencom, Logic Wireless and Radio One Group
- Strengthening communications business in ANZ/UK and new region (USA) through acquisitions
- Secured more water/wastewater and data centre projects
- Flow business stable
- Engaging more with the Singapore Government

3. Mining & Minerals

- Stable stream of flow projects

3 Key Strategies



Business Updates (cont'd)

4 Cost Management

- Higher interest costs from inflationary pressures
- Cost overruns for project in Americas region
 - Closely monitoring costs
- Capital discipline alongside cash flow management

5 Acquisition Strategy

- Acquisition remains a key growth strategy
- Focus areas will be in complementary and adjacent capabilities:
 - Energy and Infrastructure segments
 - USA, Europe and Australia/New Zealand
- Will acquire within means, whenever suitable opportunities arise
 - No high gearing
- Will be focused on integrating Logic Wireless and Radio One Group in 2023

Group Performance in FY2022

Revenue

S\$557.7m

▲ 19.0%

Order Intake

S\$808.4m

▲ 74.9%

EBITDA

S\$33.4m

▼ 21.9%

Cashflow from Operations

S\$9.1m

▼ 75.0%

Net profit

S\$4.8m

▼ 68.2%

Return on equity

2.2%

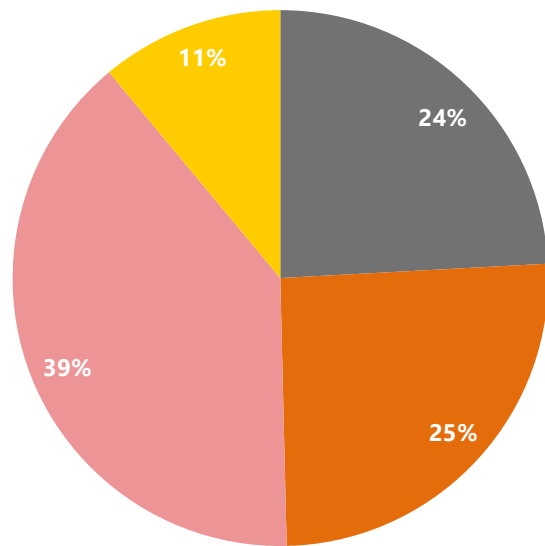
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Summary of Financials

S\$ million	FY2022	FY2021	Change
Revenue	557.7	468.7	19.0%
Gross Profit	146.2	135.9	7.6%
EBITDA	33.4	42.8	-21.9%
Net profit attributable to equity owners of the Company	4.8	15.0	-68.2%
Gross profit margin (%)	26.2%	29.0%	-2.8p.p
EBITDA margin (%)	6.0%	9.1%	-3.1p.p
Net margin (%)	0.9%	3.2%	-2.3p.p
Operating cash flow from operations	9.1	36.3	-75.0%
Net Cash/(debt)	(72.2)	(48.9)	47.7%
Order intake	808.4	462.1	74.9%
Order book	480.1	229.4	109.3%
ROE (annualised)	2.2%	7.8%	-5.6p.p

FY2022 Revenue Breakdown By Industry Segments

We have a sizeable base of loyal customers. Some of our customers have been with us for over 30 years, and 90% are repeat customers.



Energy - Onshore
 Energy - Offshore
 Infrastructure
 Mining & Mineral

S\$ million	FY2022	FY2021	YoY %
Energy - Onshore	134.6	143.0	-5.9%
Energy - Offshore	142.1	134.3	5.8%
Infrastructure	219.4	143.6	52.8%
Mining & Mineral	61.6	47.8	28.8%
Total	557.7	468.7	19.0%

Australia and UK communications revenue:

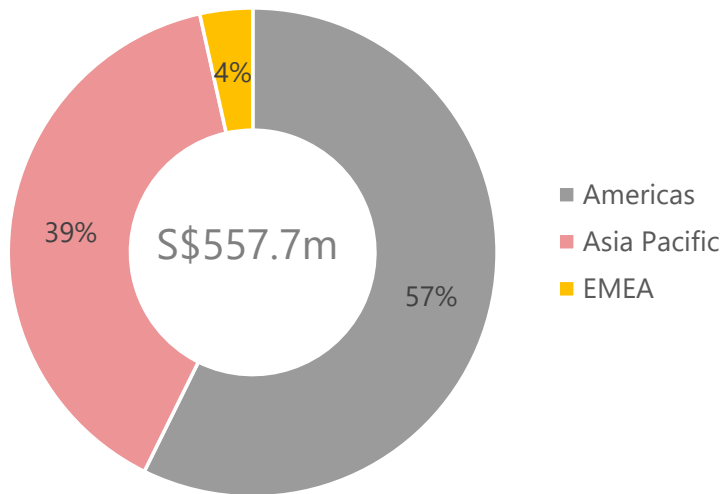
- FY2022 S\$132.3 million
- FY2021 S\$99.3 million

Infrastructure: Power, Water, Waste Treatment & Transportation

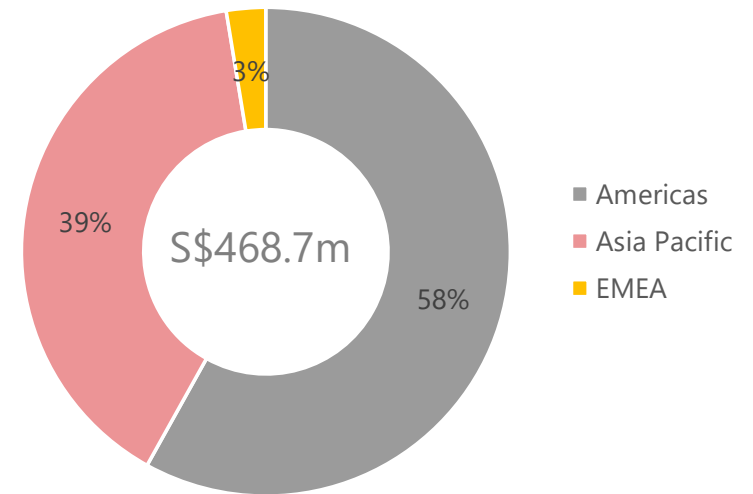
FY2022: Revenue Breakdown By Geographical Segments

S\$ million	FY2022	FY2021	YoY %
Americas	319.7	272.2	17.4%
Asia Pacific	218.6	184.3	18.6%
EMEA	19.4	12.2	59.9%
Total	557.7	468.7	19.0%

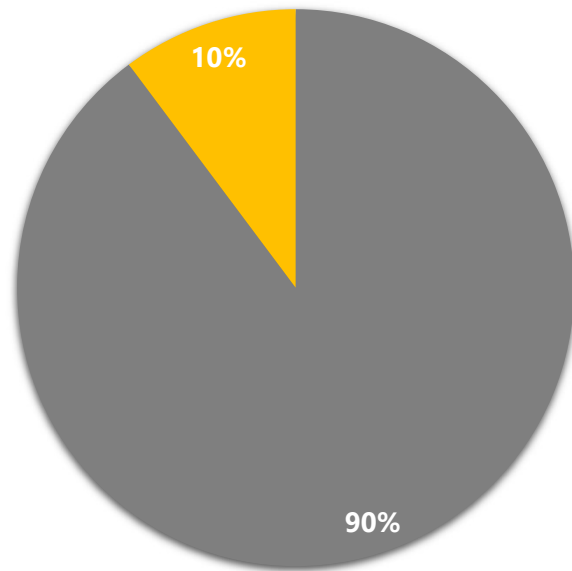
FY2022



FY2021



FY2022 Revenue Breakdown By Projects



■ Flow Business ■ Large Greenfield Projects

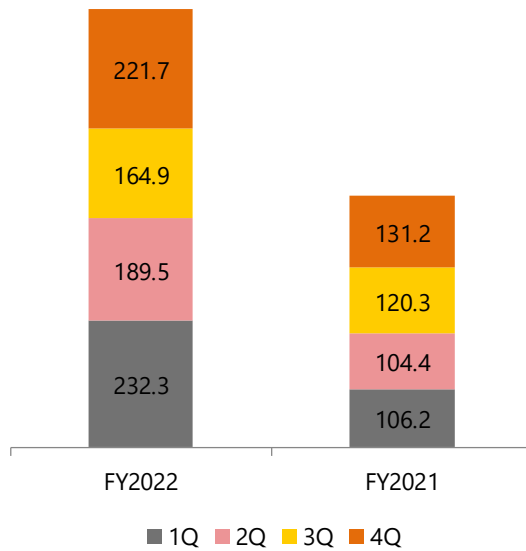
\$ million	FY2022	FY2021	YoY%
Flow Business*	502.5	420.9	19.4%
Large Greenfield Projects	55.2	47.8	15.5%
Total	557.7	468.7	19.0%
Flow Business %	90%	90%	

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

FY2022 Order Intake/Book By Geographical Segments

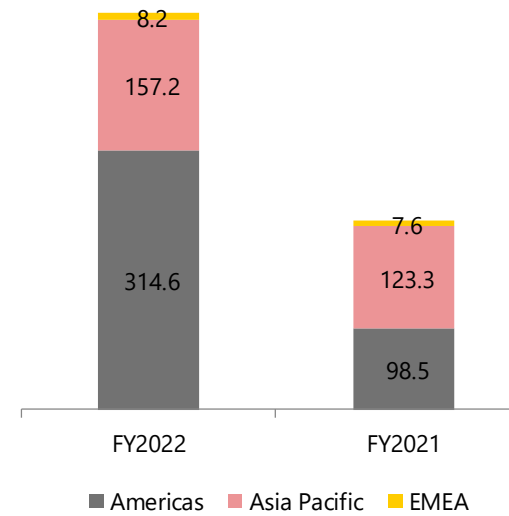
Order Intake from Continuing Operations

\$808.4m \$462.1m



Order Book from Continuing Operations

\$480.1m \$229.4m



FY2023 Outlook

- The current global economic outlook and inflationary pressures 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 2022 and foreseeably in the coming months, which together with the higher operating costs and cost overruns, has negatively impacted our financial performance in the Americas region in FY2022.
- 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, communications and enhancements in physical and cyber security globally, and from data centres and water utilities in the Americas & Asia Pacific region.
- CSE has secured S\$808.4m of new orders in FY2022. With an order book of S\$480.1 million as at 31 December 2022 compared with S\$229.4 million as at 31 December 2021, CSE is well positioned to achieve a better performance in 2023.
- Going forward, we will expand our engineering capabilities and technology solutions to pursue new market opportunities and diversify into new markets brought about by the emerging trends towards urbanization, electrification and decarbonisation.

Dividend

S\$ million	FY2022	FY2021	FY2020
Dividend (cents):			
- Interim	1.25	1.25	1.25
- Final	1.50*	1.50	1.50
Payment date	18 May 2023		
Book closure	5 May 2023		
AGM	20 April 2023		

*** Proposes final dividend of 1.5 cents per share to be approved by shareholders at AGM on 20 April 2023.**



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Q&A