

## SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

### **Nordic records 62% yoy increase in revenue for 1H2022 and delivers 49% yoy increase in net profit to S\$11.6 million**

- Revenue increased by S\$30.6 million to reach S\$79.8 million due to the pick-up in momentum from both the Project and Maintenance services and contribution from the Starburst Group
- Gross profit increased 65% yoy to reach S\$23.0 million in 1H2022 while gross margin increased from 28% to 29% in 1H2022
- The Group secured approximately S\$170.6 million worth of contracts in 1H2022, elevating the outstanding order book to S\$232.7 million
- The Group declared interim dividend of 1.162 cents per share, at 1.2 times above 1H2021 with a dividend payout ratio of 40%

**Singapore, 5 August 2022 – Nordic Group Limited (“Nordic” or the “Group”)**, a SGX-Mainboard listed company reported its financial results for the first six months (“1H2022”) ended 30 June 2022. Nordic Group is a global solutions provider that provides project and maintenance services for industries such as marine, offshore oil and gas, petrochemical, pharmaceutical, semiconductor, infrastructure, public environment or security agencies.

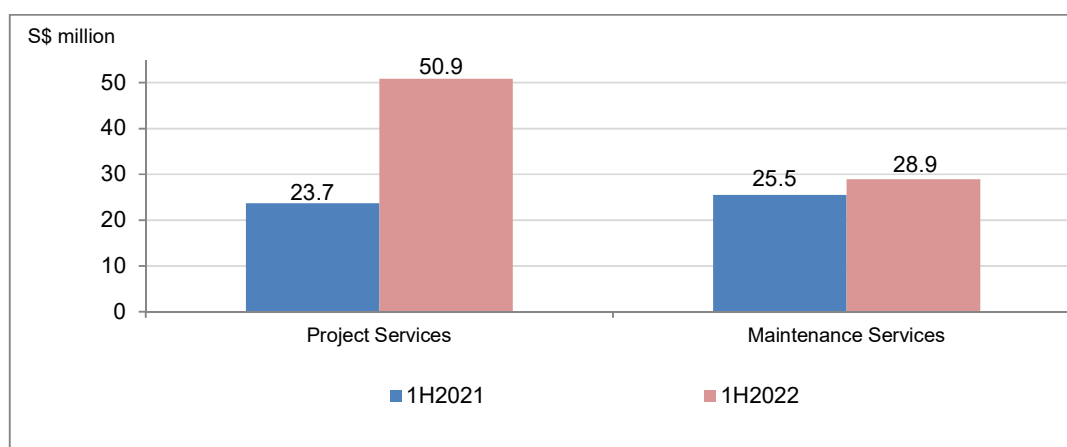
Financial Highlights	1H2022	1H2021	Change
	S\$'000	S\$'000	%
Revenue	79,763	49,172	62
Gross Profit	23,047	13,989	65
Gross Profit Margin	29%	28%	1 ppts
Net Profit after Tax Attributable to Equity Holders	11,616	7,797	49
Net Profit Margin	15%	16%	(1) ppts
EBITDA	17,143	10,437	13
EBITDA Margin	22%	21%	1 ppts
Basic Earnings Per Share (cents)*	3.0	2.0	49

\* Based on weighted average number of 387,954,000 ordinary shares for 1H2022 (1H2021: 388,360,000 ordinary shares)  
Ppts: Percentage Points

### 1H2022 v 1H2021 Financial Review

The Group's revenue rose by 62% year-on-year ("yoy") to S\$79.8 million as the segments, Project Services ("PS") and Maintenance Services ("MS"), improved over 1H2021 given the constant easing of movement restrictions worldwide. Revenue contribution from PS increased by 115% yoy to S\$50.9 million and revenue from MS improved by 13% yoy to S\$28.9 million. A large portion of the growth was a direct result of securing new contracts during 1H2022, which continued to boost the project services segment and hence, the topline of the Group.

### Revenue by Business Segment



Gross profit rose by 65% yoy to S\$23.0 million while the gross profit margin increased from 28% to 29%. The increase in gross profit is in tandem with the higher revenue. Excluding the government rebates and grants, the gross profit margins were 27% for 1H2022 as compared to 26% for 1H2021.

Other income and gains increased by S\$1.0 million to S\$2.0 million for 1H2022 mainly due to higher foreign exchange gains with the strengthening of USD against SGD in 1H2022.

The Group's administrative expenses increased by S\$4.5 million to S\$10.5 million for 1H2022 due to the expense contributions resulting from the acquisition and integration of Starburst Group and amortisation of intangible assets.

Finance cost increased to S\$0.7 million from S\$0.2 million for 1H2021 with interest expenses increasing due to higher interest rates and contribution from Starburst Group.

The Group continues to thread the growth trajectory for net profit with an increase of 49% yoy to S\$11.6 million. Net profit margin dipped by 1 percentage point to 15% with the higher expenses, however it is within range of historical performance.

The Group declared an interim dividend of 1.162 Singapore cents per share for 1H2022, in appreciation of the shareholders support of the Group's corporate actions and management. This payout for 1H2022 is 1.2 times

over the payout of 0.980 cents per ordinary share for 1H2021 with a dividend payout ratio of 40% of net profit as per the Group's dividend policy.<sup>1</sup>

The Group continued to maintain a robust balance sheet as net asset value per share increased from 25.2 Singapore cents as at 31 December 2021 to 26.3 Singapore cents as at 30 June 2022.<sup>2</sup> Cash and cash equivalents decreased from S\$75.3 million as at 31 December 2021 to S\$42.9 million as at 30 June 2022. This decrease is attributed to the cash acquisition of Starburst Group, and is offset by an aggregate increase in other non-current and current assets resulting in a net increase in total assets.

### **Business Outlook**

The Group's current outstanding order book is approximately S\$232.7 million as at 30 June 2022. The Group's PS business segment has S\$79.1 million in orders while its MS business segment logged S\$153.6 million onto the order book.<sup>3</sup> The deliveries for these orders will spread over the next 36 months and thus, the Group expects to recognise consistent revenue from these orders up to FY2024.

In first half of 2022, there were contracts secured totalling S\$170.6 million in the various sectors including S\$90.1 million from the acquisition of Starburst Group. The Group is optimistic with the number of contract wins, signifying the long-term recovery and prospect of the operational sectors, and will continue to manage the costs and risks prudently so as to deliver value to shareholders.

A survey from Singapore Economic Development Board, highlights the optimism in marine and offshore engineering with an increase in oil and gas activities driven by higher oil prices while precision engineering foresees higher production contrarian to the general negative manufacturing outlook. The Group is however mindful of the possibility of new COVID-19 variants pushing the global supply chain and travel back on restrictions. The global inflationary pressures are also monitored to adjust for the impact on the necessary materials.

***End***

<sup>1</sup> Based off total number of shares at 399,736,000 shares including treasury shares, pay-out ratio is 40% of NPAT.

<sup>2</sup> Based on the 387,736,000 ordinary shares in issue excluding treasury shares as of 30 June 2022 (31 December 2021: 388,000,000 shares)

<sup>3</sup> Certain maintenance contracts are based on unit rates and do not have a contract value upfront. These contract values are estimated based on historical revenue trends and included above. These orders are expected to be delivered within the next 36 months and will generate sustainable revenue streams for the Group up to FY2024. However, these confirmed orders are subject to possible cancellation, deferment, rescheduling or variations by customers.

### **About Nordic Group Limited (Bloomberg Code: NRD SP)**

Established in 1998, Nordic is a global solutions provider in areas of system integration solutions, vessel maintenance, repair and overhaul (MRO), precision engineering, scaffolding and insulation services, petrochemical, environmental engineering services, cleanroom, air and water engineering services and security services serving mainly the marine, offshore oil and gas, petrochemical, pharmaceutical, infrastructure, public environment/security agencies and semiconductor industries.

Headquartered in Singapore, Nordic currently has one production facilities located in Suzhou, the People's Republic of China ("PRC"). Nordic has a sales and services network that covers Singapore and various locations in the PRC as well as an international network of appointed sales and service agents, which allows the Group to be in close proximity to its customers.

Designed to meet the demands of vessel automation, the Group's **System Integration** division offers integrated control and management systems for newly built ships as well as ships which are already in operation but are in need of upgrades and conversions. These systems are versatile and dependable ship automation solutions that provide a standard user-friendly interface to the subsystems of modern vessels.

Nordic also designs, procures, develops and manufactures actuators, valves and other components for assembly and integration into valve remote control systems, tank gauging systems, anti-heeling systems, alarm monitoring and power management systems used by customers in their vessels.

Under its **Maintenance, Repair and Overhaul ("MRO")** and Trading division, Nordic provides customers with a dedicated team of consultants who are responsible for any after-sales requests for maintenance, repairs and overhauls as part of its after-sales service. The MRO and Trading division provides the Group with a steady stream of income as there is a constant need for vessels to be maintained or repaired.

The Group's **Precision Engineering** division designs and builds tooling systems, and provides turnkey production solutions to customers in the marine, oil and gas, aerospace, medical, electronic, and optical manufacturing services industries for a stable customer base.

The Group's **Scaffolding Services** division is an established leader in metal scaffold works servicing the Process, Construction and Marine industries. Multiheight Group offers a full suite of scaffolding services including design, erection, modification and dismantling, sales and rental. Multiheight Group has two decades of scaffolding experience and is an MOM-approved scaffold contractor committed to high standards of Quality, Safety and Health (QSH) practices and standards throughout the organisation, warehouse, workshop, on site and all activities carried out by the organisation.

The Group's **Insulation Services** division specialises in Insulation (primarily in primarily thermal and cryogenic insulation) and passive fireproofing Services in the petrochemical, pharmaceutical, marine and oil and gas Industries.

The Group's **Petrochemical & Environment Engineering Services** provides repairs, maintenance, operations and plant turnaround services for public environment engineering installations, energy installations, marine and offshore industries, manufacturing industries, and oil & gas and petrochemical industries.

The Group's **Cleanroom, Air and Water Engineering Services** provides tools hook up services, air pollution control scrubbers and water treatment plants for the semiconductor, oil and gas, power plant and municipality sectors.

The Group's **Security Services** division provides design, fabrication, installation and maintenance of anti-ricochet ballistic protection systems for tactical training facilities for the security agencies.

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Issued for and on behalf of Nordic Group Limited

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