

1H2024 Results Presentation

20 August 2024





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1H2024 Highlights

Revenue

S\$76 m

1H24 vs 2H23 : 7% ↑

1H24 vs 1H23 : 15% ↓

Gross Margin

23%

1H24 vs 2H23 : 3 pts ↑

1H24 vs 1H23 : 2 pts ↓

Net Profit

S\$8.5 m

1H24 vs 2H23 : 45% ↑

1H24 vs 1H23 : 16% ↓

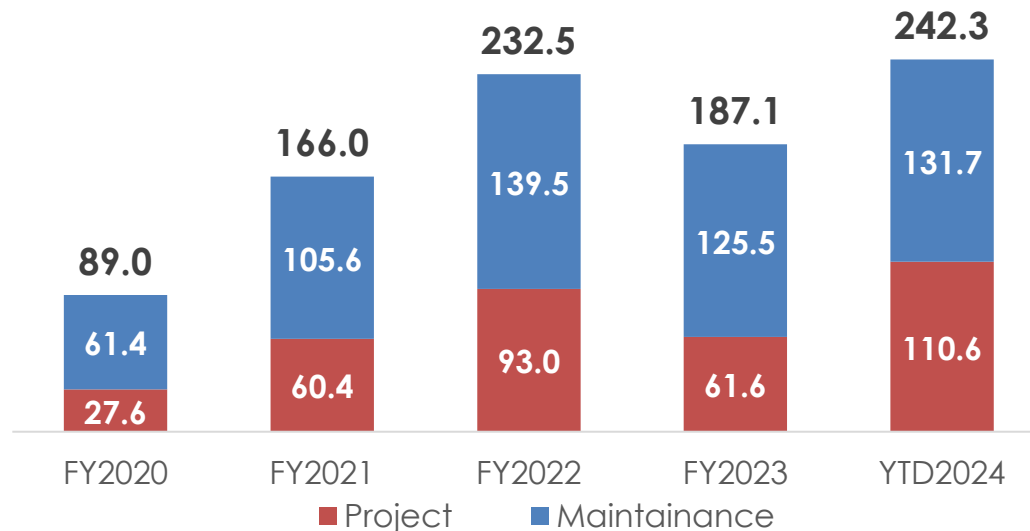
Gearing Ratio

28%

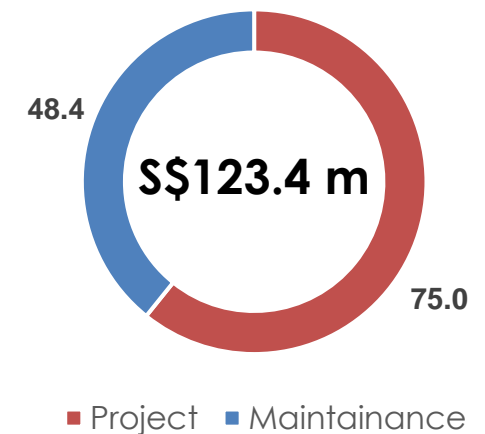
1H24 vs 2H23 : 2 pts ↓

1H24 vs 1H23 : 7 pts ↓

Orderbook replenished with growth in both PS and MS segments (S\$'million)



Contract-wins in YTD2024 (S\$'million)



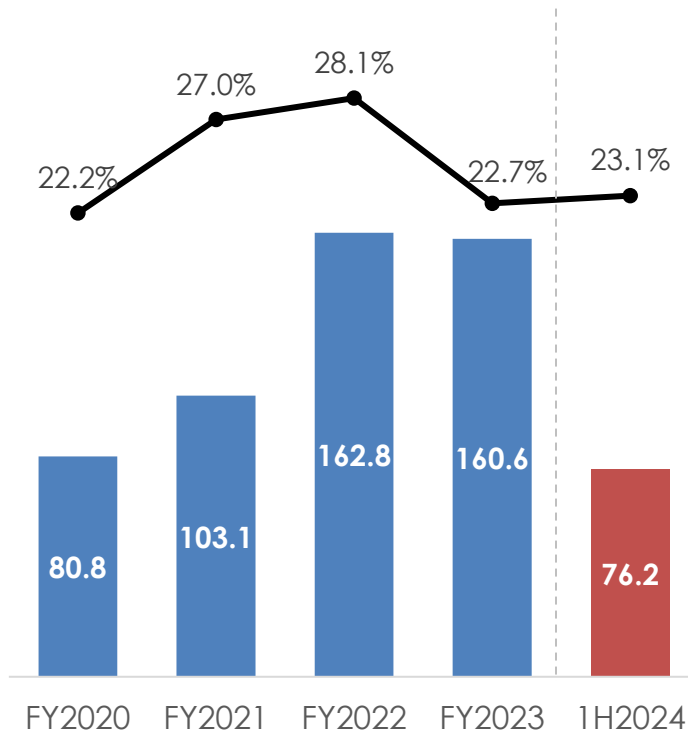


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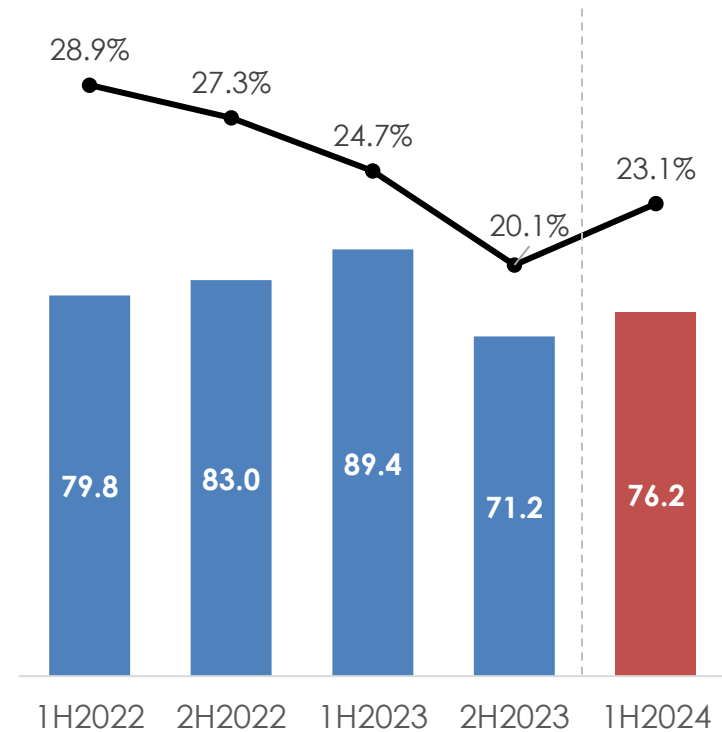
1H2024 Revenue Trends

Revenue and gross margin improved sequentially in 1H2024, largely driven by the Group's effective orderbook replenishment efforts that generated additional revenue streams

Revenue and GM Trend by Year



Revenue and GM Trend by Half-year



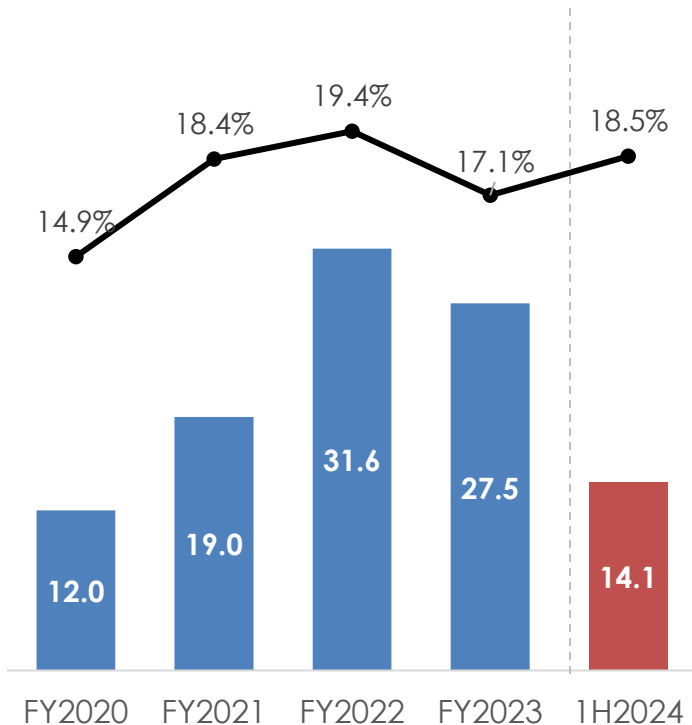
Unit: S\$' million



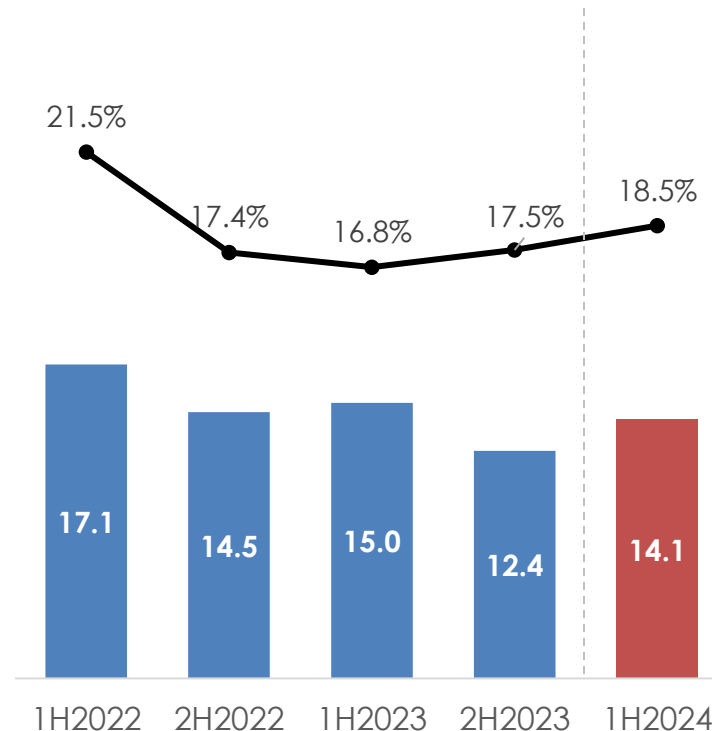
1H2024 EBITDA Trends

EBITDA margin improved on both sequential and YoY basis

EBITDA and EBITDA Margin Trend by Year



EBITDA and EBITDA Margin Trend by Half-year



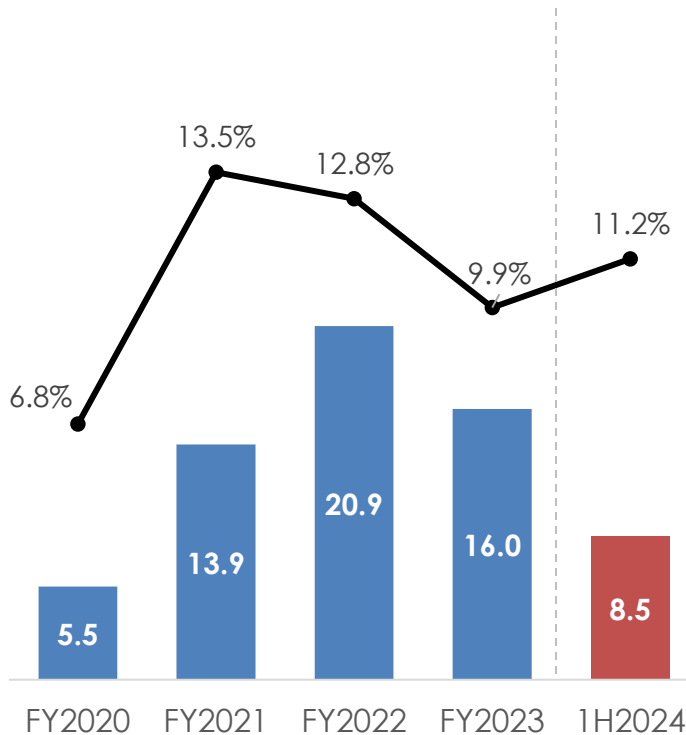
Unit: S\$' million



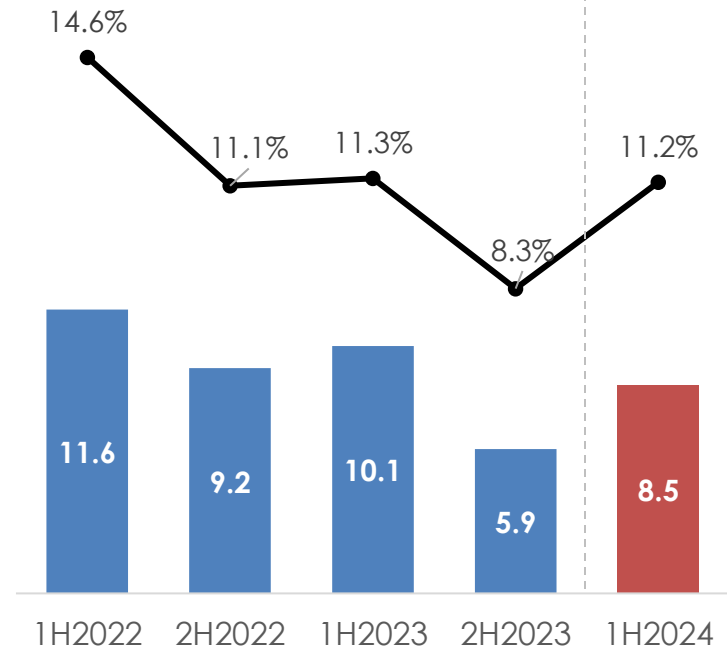
1H2024 Net Profit Trends

In line with revenue recovery, both net profit and net profit margin improved sequentially in 1H2024

Net Profit and Net Profit Margin Trend by Year



Net Profit and Net Profit Margin Trend by Half-year



Unit: S\$' million

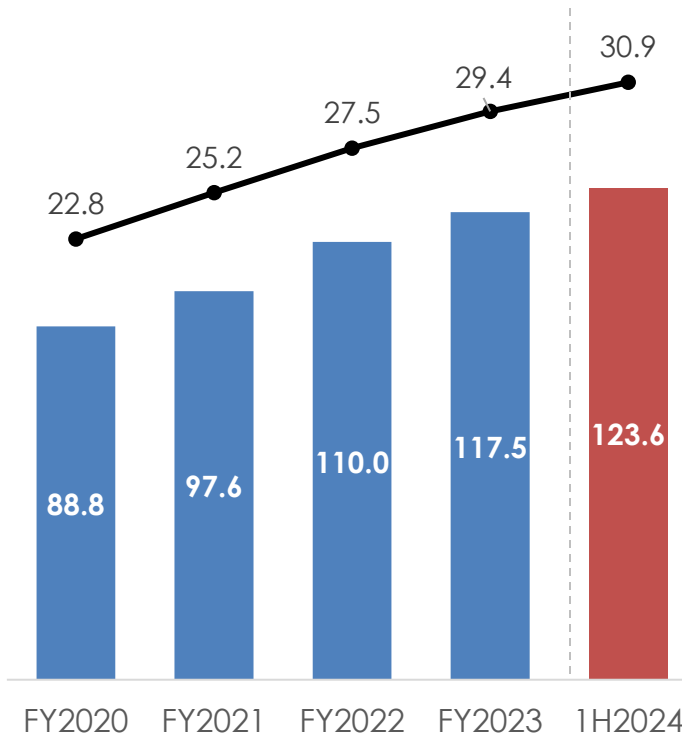


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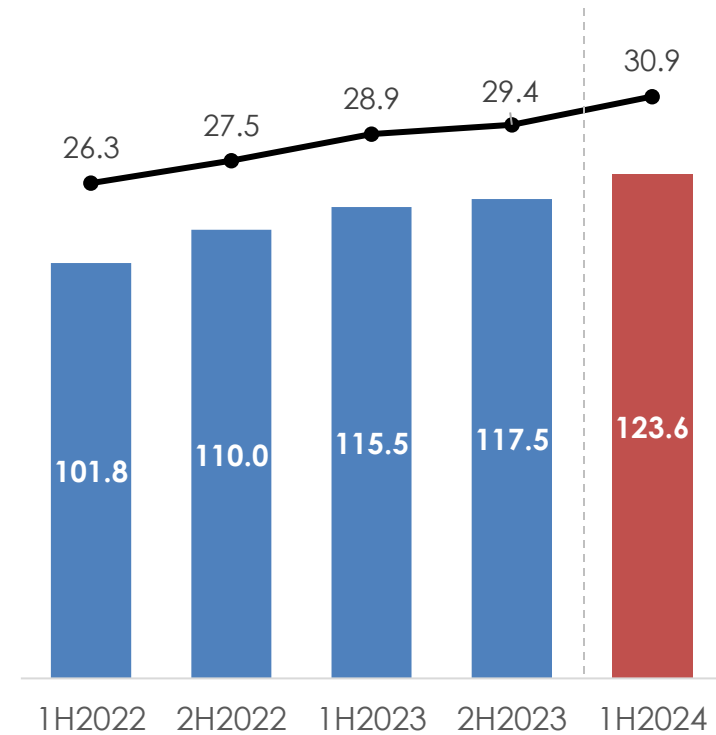
1H2024 NAV Trends

Continuous NAV improvement from value-accretive acquisitions

NAV and NAV per Share Trend by Year



NAV and NAV per Share Trend by Half-year

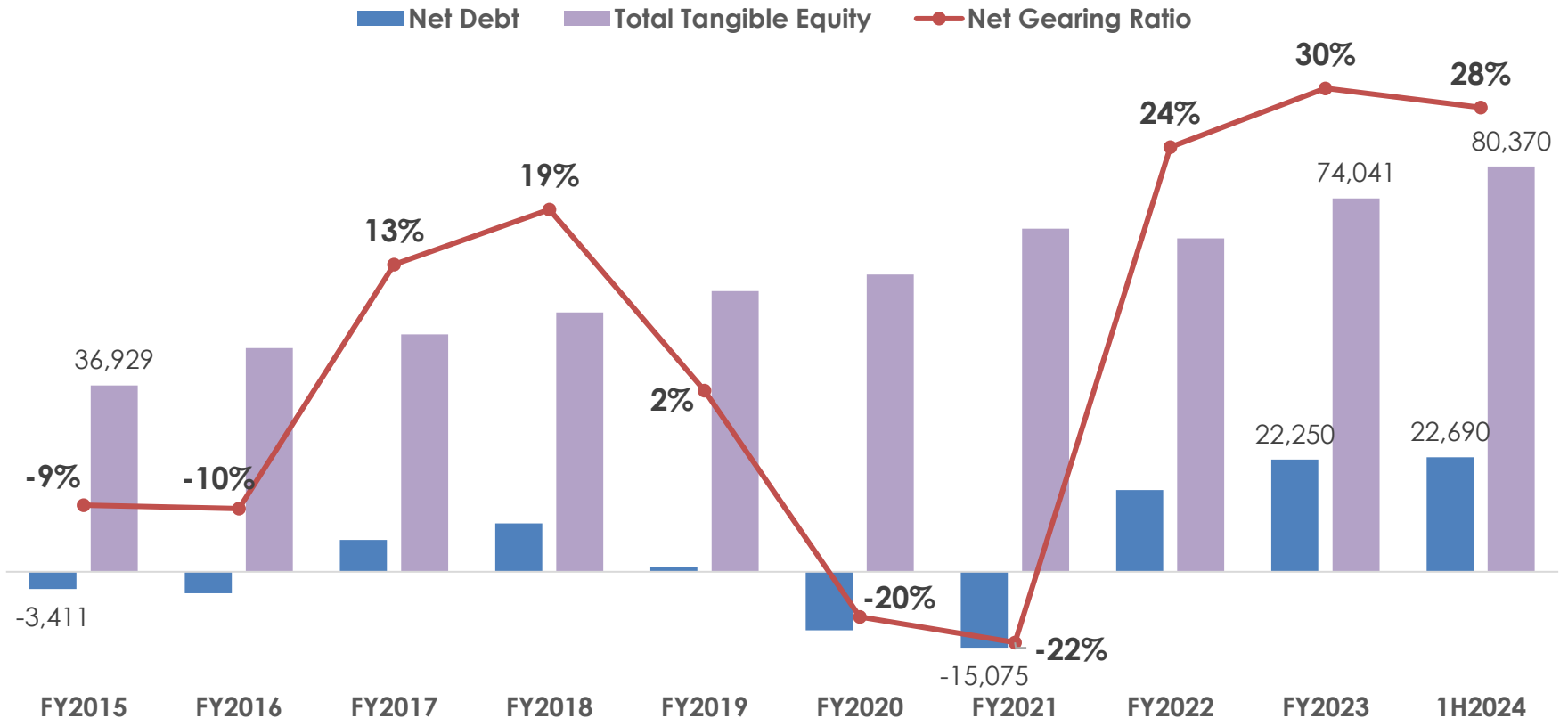


Unit: S\$' million



1H2024 Net Gearing Ratio Trend

Net gearing ratio decreased by 2 pts to 28% for 1H2024 compared to FY2023 due to increase in earnings for 1H2024



* Net Gearing Ratio = (total borrowings - cash and cash equivalents)/(total equity - intangible assets) x 100%

Contracts Win

June 4, 2024 - Total value: S\$90.8 m

- System Integration: manufacture of valves and actuators, control and tank gauging systems
- Precision Engineering: capital contracts for machining and mechanical assembly
- Scaffolding and Insulation: Maintenance work at petrochemical industries
- Petrochemical & Environmental Engineering: maintenance and operation of plant and equipment at certain public infrastructures
- Structural Engineering and Construction Services: constructing a training facility and a fuel dispensing system for the aerospace industry

August 20, 2024 - Total value: S\$32.6 m

- System Integration: manufacture of valves and actuators, control and tank gauging systems for FPSO and series vessels
- Precision Engineering: capital contracts for machining and mechanical assembly
- Scaffolding and Insulation: Maintenance work at petrochemical industries
- Petrochemical & Environmental Engineering: maintenance and operation of plant and equipment at certain public infrastructures
- Cleanroom Air and Water Solutions: maintenance and hook up services
- Structural Engineering and Construction Services: adhoc servicing of valves

1) Project revenue:

- System Integration, S\$17.7m
 - Manufacture of valves and actuators for 2 FPSOs
 - Manufacture of valves, actuators and controls systems for series vessels of 61 in total. Each series consists of 20 to 25 vessels. This has increased from the past few years where series vessels orders are usually less than 10 in each series

- Structural Engineering and Construction Services, S\$38.8m :
 - Construction of training facility
 - Design and build fuel dispensing system for aerospace industry

2) Maintenance:

- Petrochemical & Environmental Engineering, S\$31.4m
 - Maintenance of plant and equipment at Singapore's incineration plant and waterworks for 3 years



Catalyst for the Marine and
Offshore System Integration
Business to Outperform



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Significant Contracts Secured YTD2024 - Series Vessels



40,400 DWT Bulk Carrier

52 vessels



7000 CEU LNG dual-fuel pure car,
truck carrier (PCTC)

3 vessels

Note – We supply in
total 40 vessels from
Year 2022 to 2024



18,500-ton IMO Class II Chemical Tankers

6 vessels

61 vessels secured



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Significant Contract Secured in YTD2024 - FPSO



For illustration Purposes



CIMC RAFFLES

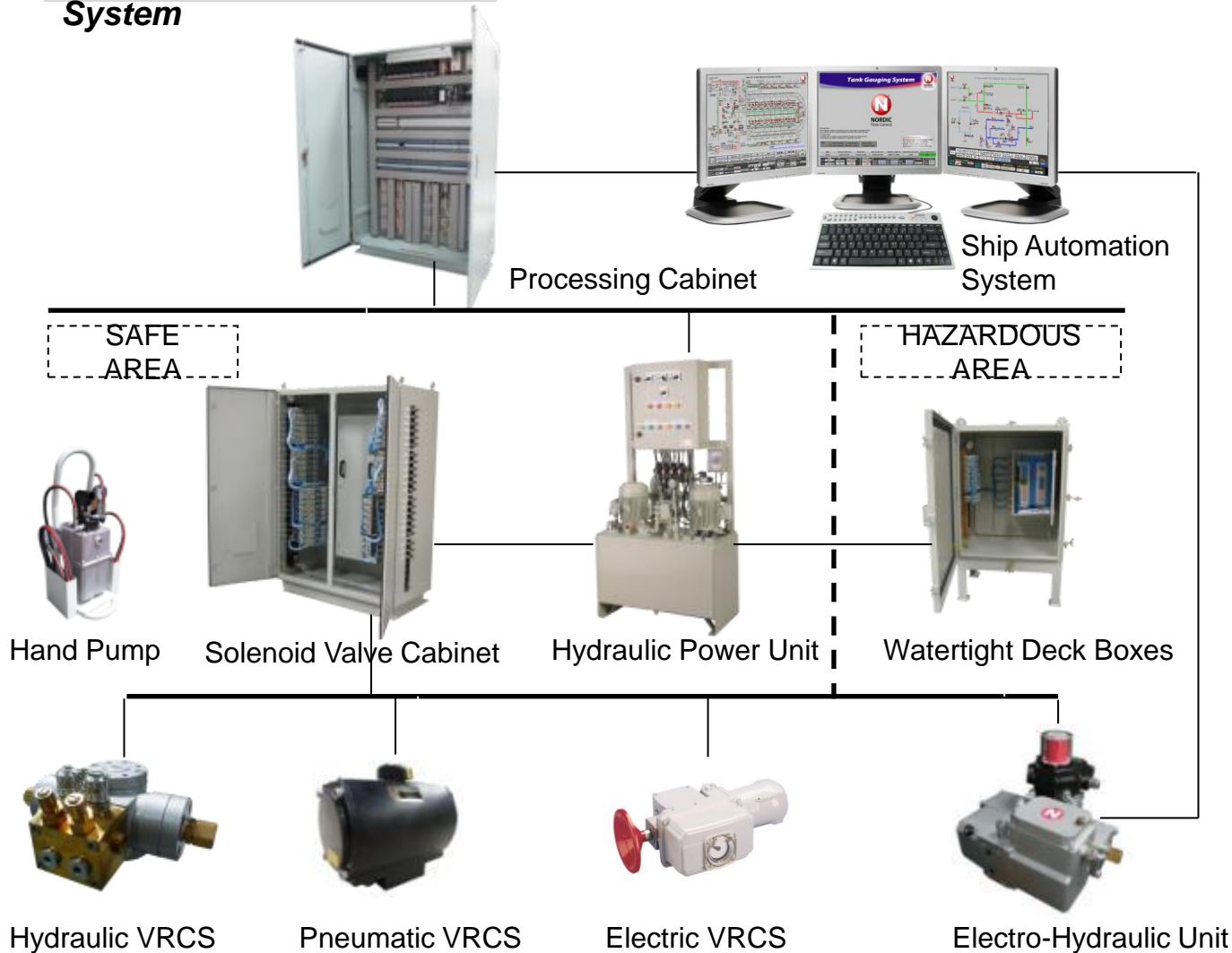
Project Name	Valve Remote Control System
Builder	CIMC RAFFLES
Owner	Petrobras
Vessel Type	Floating Production Storage & Offloading
Vessel Name	P-84 and P-85
Class	ABS



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Valve Remote Control System

Valve Remote Control System



- Flexible cost effective modular design
- Customised to suit any application for hydraulic, pneumatic, electro-hydraulic or electric system
- Enables valves to be operated by a press of the button and has the ability to operate several valves at the same time



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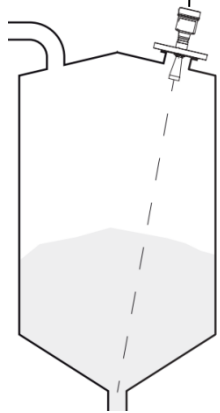
Hydro-Static Pressure System

Hydro-Static Pressure System

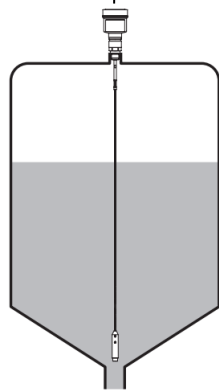
Processing Cabinet



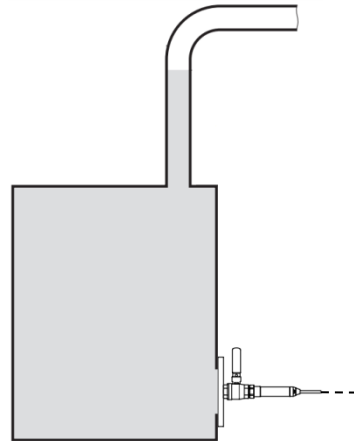
Control Stations



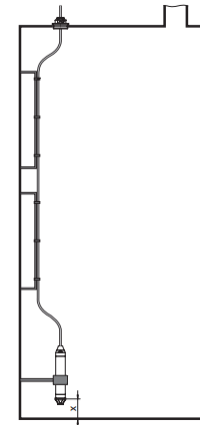
**Non-Contact Radar
Transmitter**



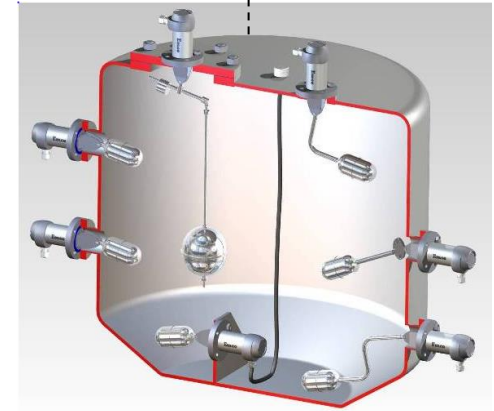
**Guided Radar
Transmitter**



**Pressure Transmitter
- Side Mounting**



**Pressure Transmitter
- Top Mounting**



Level Switch



Factors that attributed to the growing Marine and Offshore Market

Marine Energy

- The growth in the marine energy sector, including offshore wind and oil and gas exploration, is also contributing to the industry's expansion. These sectors require specialized maritime services and vessels.

Geopolitical Factors

- Changes in global geopolitics and trade policies can affect shipping routes and logistics. For example, new trade agreements or disputes can shift shipping patterns and create new opportunities in certain regions.

Environmental Regulations

- Stringent regulations on emissions and environmental standards are prompting companies to upgrade their fleets and invest in more advanced, eco-friendly technologies.

Technological Advancements

- Innovations in marine technology, including automation, digitalization, and better navigation systems, have improved efficiency and safety in the industry. These advancements are attracting investment and interest.

Economic Growth and Trade

- Global economic recovery and growth have increased trade volumes, boosting demand for shipping services. As economies rebound from downturns and as international trade expands, more goods are transported by sea.



Market Outlook in 1H2024

List of the top 30 shipbuilding groups in the world by order book

排名	造船集团	艘数	载重吨	修正总吨
1	中国船舶集团	732	66290656	26440739
2	HD 现代	422	34468470	19022828
3	三星重工	131	14987439	9552995
4	韩华海洋	116	13884835	8909477
5	扬子江船业	193	16307033	6116134
6	中远海运重工	174	20212654	5428899
7	新时代造船	132	19229168	5107244
8	招商工业	175	4887502	4926251
9	今治造船	173	14386808	4665064
10	Fincantieri	63	183832	3097971
11	常石造船	139	9727976	2543714
12	舟山长宏国际	51	5417098	1771004
13	韩通船舶重工	83	7813500	1748173
14	恒力重工	66	8310000	1581322
15	福建船政	87	2369800	1576674
16	日本造船联合 (JMU)	48	6665423	1508365
17	大岛造船	84	5521350	1490737
18	中集集团 ^{SP1}	60	1482898	1386016
19	Meyer Neptun	9	81400	1360795
20	苏美达船舶	74	4523902	1291920
21	南通象屿海装	77	4210200	1263646
22	Zvezda SB	34	2252800	1188011
23	芜湖造船厂	58	1522900	998651
24	新来岛造船	57	2252899	938609
25	DH 造船	29	4170276	873786
26	大西洋造船厂	8	54000	849589
27	K 造船	37	2388250	836731
28	青岛造船厂	35	3194232	767613
29	三福船舶	56	1366000	724536
30	蓬莱京鲁船业	36	1589104	705963

数据来源: 克拉克森

Nordic's clients in RED
From eworld Ships
8 Aug 2024

There are 1127 new ship orders worldwide in the first half of 2024



Among the top 30 shipbuilding groups in the world there are 17 China companies of which 11 have Nordic in their maker's list, 5 Korean companies, 4 Japanese companies and 4 European companies.



China Shipbuilding Group received orders for 705 ships, Japan received orders for 42, and South Korea received orders for 170 ships



The number of new orders for liquefied gas tankers worldwide is 142, bulk carriers is 206, oil tankers is 149



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Major Shipyards in China

CSSC

中国船舶集团有限公司
CHINA STATE SHIPBUILDING CORPORATION LIMITED



中远海运重工有限公司
COSCO SHIPPING HEAVY INDUSTRY CO., LTD.



Yangzijiang Shipbuilding (Holdings) Ltd.



上海振华重工
SHANGHAI ZHENHUA HEAVY

CIMC RAFFLES



招商局集团有限公司
CHINA MERCHANTS GROUP LIMITED



福建省船舶工业集团公司
FUJIAN SHIPBUILDING INDUSTRY GROUP CORPORATION

Our Targets



恒力集团
HENGLI GROUP



舟山长宏国际船舶修造有限公司
ZHOUZHAN CHANGHONG INTERNATIONAL SHIPYARD CO., LTD



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Our Customers (FPSO)



PETROBRAS



Shapoorji Pallonji



BUMIARMADA



MODEC

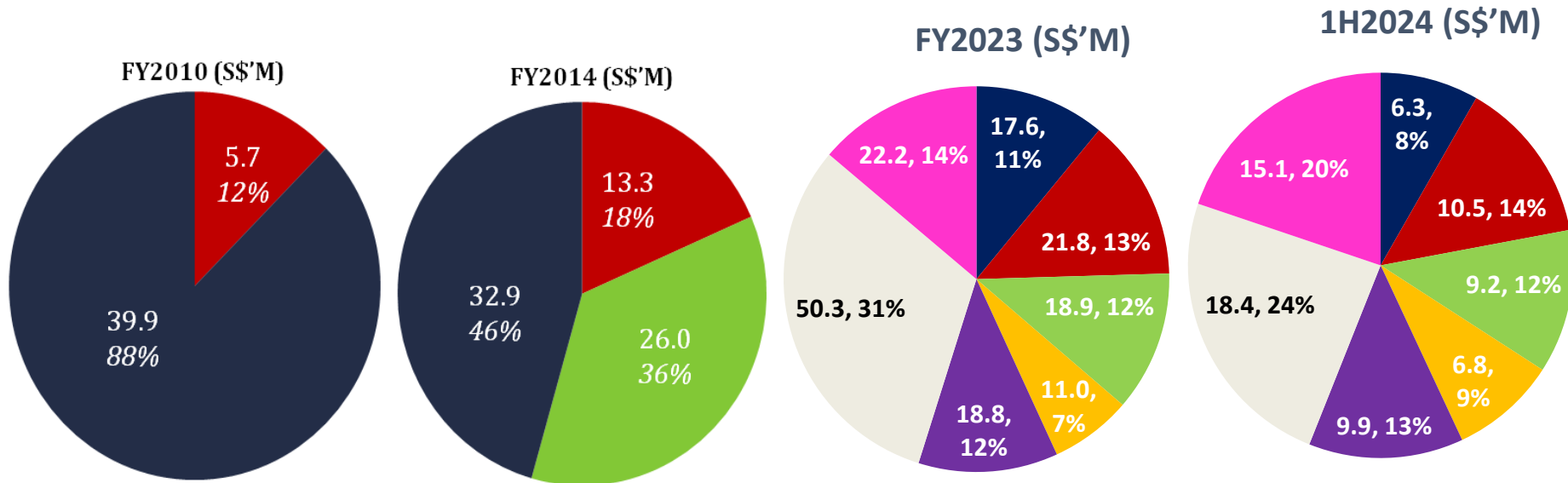


BW OFFSHORE



Seatrium

Revenue Contribution by Services



- System Integration / MRO & Trading
- Scaffolding Services
- Insulation Services
- Precision Engineering
- Petrochemical and Environmental Services
- Cleanroom, Air & Water Services
- Structural Engineering and Construction Services

Note: Above includes inter-segment eliminations

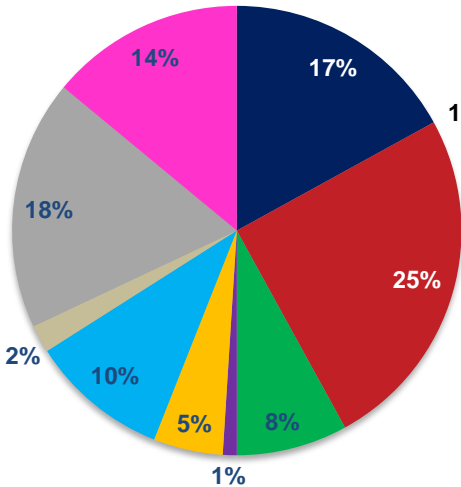
The acquisitions of Multiheight in 2011, Austin Energy in 2015, Ensure Engineering in 2017, Envipure in 2019, Starburst and Eratech in 2022, and Avon in 2023 have effectively reduced industry-specific risk, further diversified the Group's revenue stream and supported the Group's consistent revenue growth.



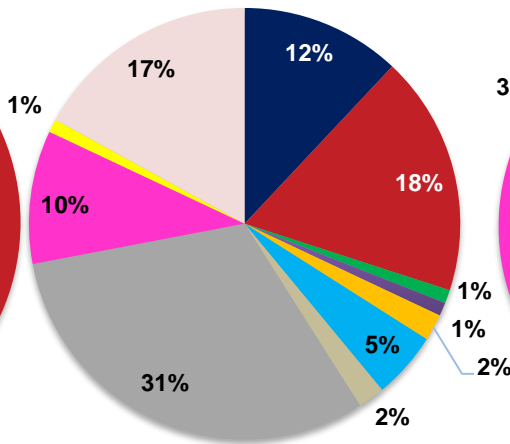
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Revenue Contribution by Industry

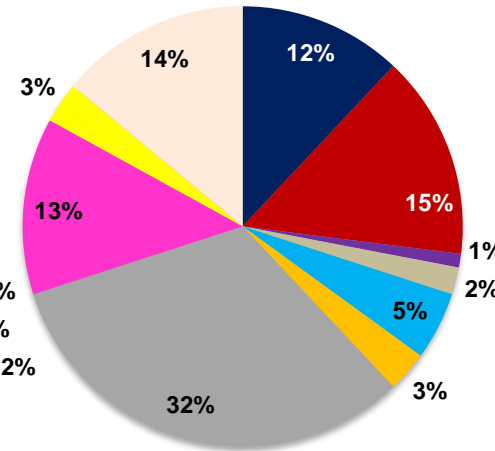
FY2021



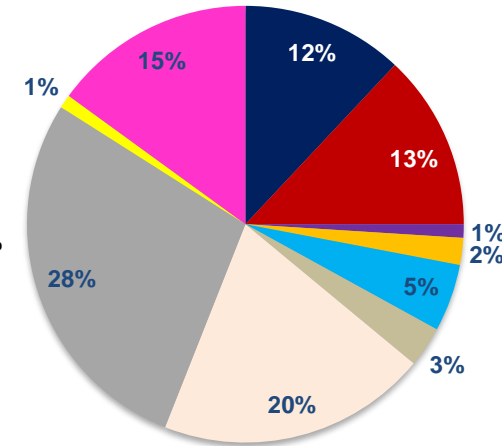
FY2022



FY2023



1H2024



- Onshore/Downstream
- Marine/Upstream
- Electronics Manufacturing System
- Onshore/Infrastructure
- Analytical Instrumentation
- Medical equipment/Industrial/manufacturing
- Pharmaceutical
- Aerospace
- Semiconductor
- Law enforcement, security agencies, civil authorities
- Optical Imaging

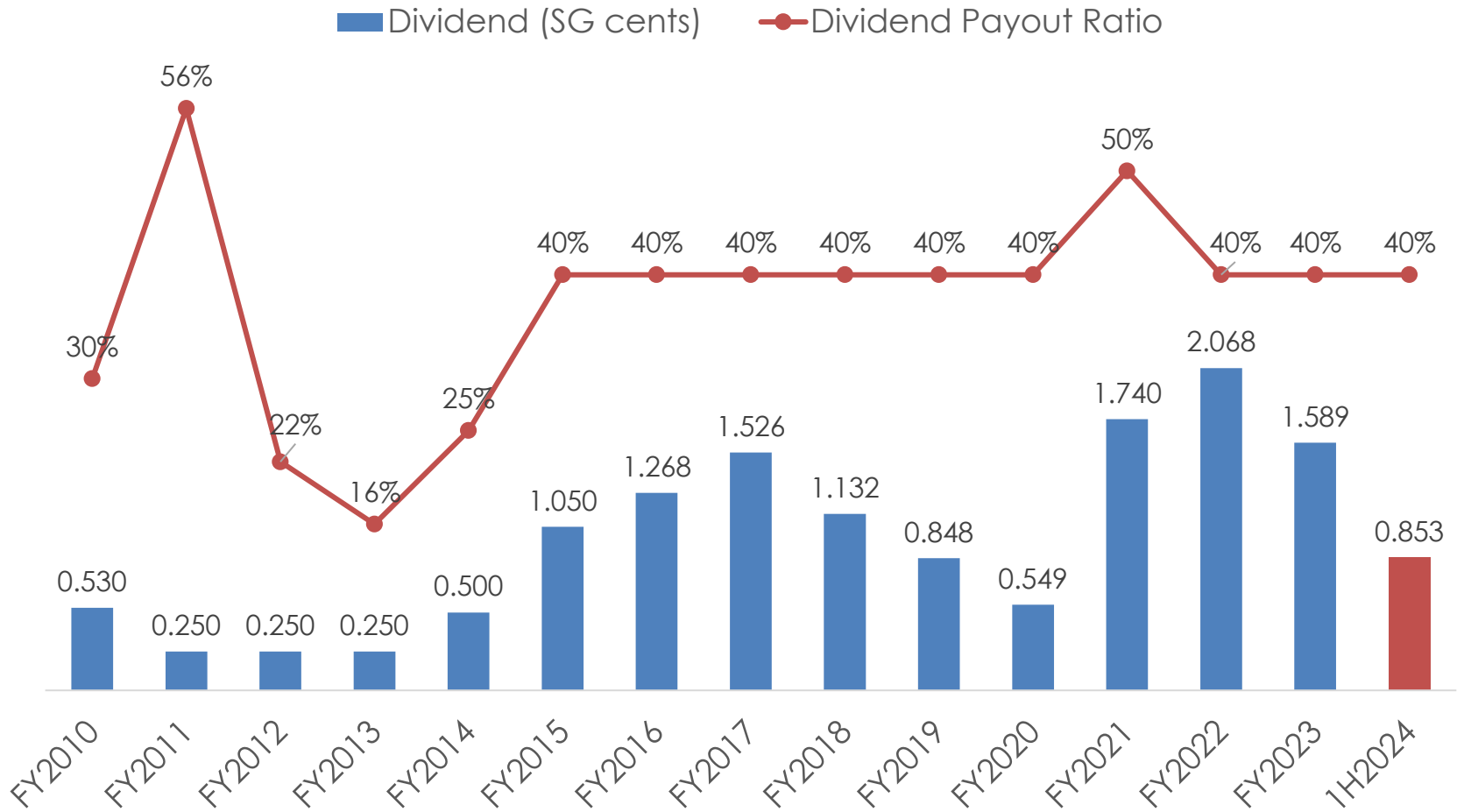
Reclassification of 4% was done from EMS to Semiconductor in 12M2022 for Precision Engineering division

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Consistent Dividend Payments



Insider Share Purchases

9 November 2010 – IPO :

Director	No. of shares held	% shareholdings
Chang Yeh Hong	200,480,625	50.12%
Eric Lin Choon Hin	43,500,000	10.88%
Dorcas Teo Ling Ling	29,000,000	7.25%
	272,980,625	68.25%

10 June 2024:

Director / Executive Officer	No. of shares held	% shareholdings*
Chang Yeh Hong	218,190,325	54.67%
Eric Lin Choon Hin	44,050,000	11.04%
Dorcas Teo Ling Ling	32,419,500	8.12%
Astro Chang Yeh Fung	3,524,800	0.88%
Chia Meng Ru	1,871,600	0.47%
Lee Kok Keng Andrew	1,061,800	0.27%
Total	301,082,525	75.45%

* Calculated based on 399,106,400 ordinary shares



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Share Buyback

renewed in AGM on 29 April 2024

MONTH OF ACQUISITION	QUANTITY	CUMULATIVE VOLUME	CUMULATIVE % OF TOTAL NO OF ISSUED SHARES **
<i>Share Buyback by way of Market Acquisition</i>			
May 2022	263,900	263,900	0.07
Jan 2024	31,500	295,400	0.07
May 2024	253,800	549,200	0.14
Jun 2024	181,600	730,800	0.18
Jul 2024	162,800	893,600	0.22
VOLUME WEIGHTED AVERAGE PRICE		\$0.3400	

** - 400 million shares



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Q&A

1) The end-1H2024 outstanding orderbook of S\$240.1 million looks to be a record for Nordic. What are the key contracts in this orderbook?

Refer to slide 11

2) Your press release says: " Ongoing cost pressures from foreign worker levies and workers' dormitories constituted a large proportion of the 20% yoy reduction in gross profit to S\$17.6 million in 1H2024."

a. Can you reveal the absolute costs of workers' accommodation incurred by Nordic over the past 3 years and in 1H2024?

Workers accommodation costs of \$3.2m increased S\$1m from 1H2023. Dormitory rental increased from about \$230 per pax to \$500 per pax over the years.

b. Was the uptrend due to dormitory rental hikes and/or increased headcount?

Mainly due to dormitory rental hikes

c. Where do you see Nordic's absolute costs for workers' accommodation heading in 2H2024 and in 2025?

2H2024 is still about \$500 per pax and 2025 may increase to \$550 per pax as the new dormitories rates are launched at \$550 per pax

d. Similarly, for foreign worker levies -- can you reveal the absolute costs incurred by Nordic over the past 3 years and in 1H2024?

Workers levies of \$3.7m increased by about \$100k from 1H2023.

e. Where do you see the absolute costs of FWL heading in 2H2024 and 2025?

Most levies increased are already in effect by 2024 so the levies cost will stabilise in 2025 unless headcount increased. In addition, we send the workers to higher skill courses aggressively to reduce the levies. Two of our divisions, Scaffolding and Insulation Services are recently qualified to conduct training together with ITE so we can enjoy low levies for our workers in the petrochemical industry.

f. Given all the above, to what extent is your current orderbook pricing in the higher FWL and workers' accommodation costs in order to revert your GP margin to "normal" levels?

Most maintenance contracts rates are already locked in during contract renewal and pricing cannot be changed. For new projects we are quoting, we factored in the latest labour cost in our costing. In addition, we have to increase the top line to revert the GP margin to "normal" levels.



NORDIC Group Limited

Building Momentum, Capturing Opportunities

Thank you for your time.

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