

# Voluntary Business Updates Q1 2021

24 May 2021





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# Financial Highlights for 1Q2021

Revenue

**\$24.5m** ↑20%

1Q20: \$20.5m

Net profit

**\$3.5m** ↑119%

1Q20: \$1.6m

EBITDA

**\$4.7m** ↑62%

1Q20: \$2.9m

GPM

**26%** ↑11 pts

1Q20: 15%

NPM

**14%** ↑6 pts

1Q20: 8%

EBITDA margin

**19%** ↑5 pts

1Q20: 14%

Order book

**\$113.7m**

as at 31 March  
2021

EPS

**0.9cents**

↑125%

1Q20: 0.4 cents

NAV per share

**23.7 cents** ↑4%

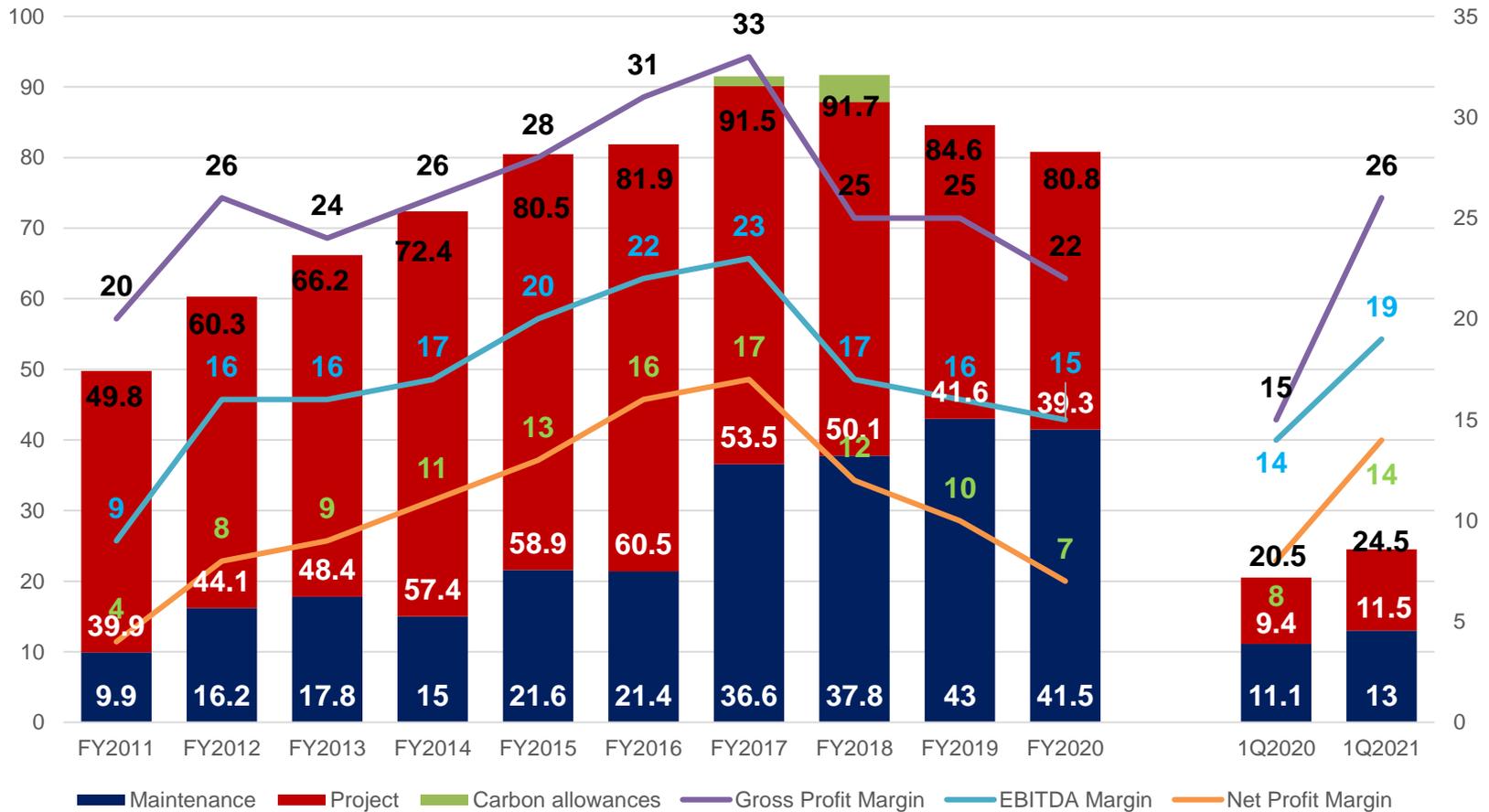
31 Dec 20: 22.8  
cents



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# Financial Review

### Revenue, GP, NP, EBITDA Margins



## Balance Sheet Highlights

<b>S\$'000</b>	<b>Unaudited as at 31 March 2021</b>	<b>Audited as at 31 December 2020</b>
Current Assets	<b>88,788</b>	100,055
Non-current Assets	<b>67,195</b>	67,994
Current Liabilities	<b>52,452</b>	67,026
Non-current Liabilities	<b>11,344</b>	12,187
Total Equity	<b>92,187</b>	88,836
Cash and Cash Equivalents	<b>45,447</b>	57,512
Net Asset Value per share (cents) <sup>[1]</sup>	<b>23.7</b>	22.8

<sup>[1]</sup> Computed based on number of 388,599,529 (31 Dec 20: 388,900,000) ordinary shares, excluding treasury shares



# Financial Review

	As at end of								
S\$'000	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	1Q2021
Total Borrowings	21,539	25,320	32,155	28,085	46,612	48,807	44,069	45,873	<b>34,014</b>
Cash and Cash Equivalents	14,852	32,799	35,566	32,325	40,291	39,232	43,200	57,512	<b>45,447</b>
Net Debt/(Cash)	6,687	(7,479)	(3,411)	(4,240)	6,321	9,575	869	(11,639)	<b>(11,433)</b>
Net Gearing Ratio <sup>(1)</sup>	19%	-19% <sup>(2)</sup>	-10% <sup>(2)</sup>	-11% <sup>(2)</sup>	13% <sup>(3)</sup>	19% <sup>(4)</sup>	2% <sup>(5)</sup>	-20% <sup>(2)</sup>	<b>-18%<sup>(2)</sup></b>

(1) Computed based on (total borrowings less cash and cash equivalents/total equity less intangible assets) x 100%

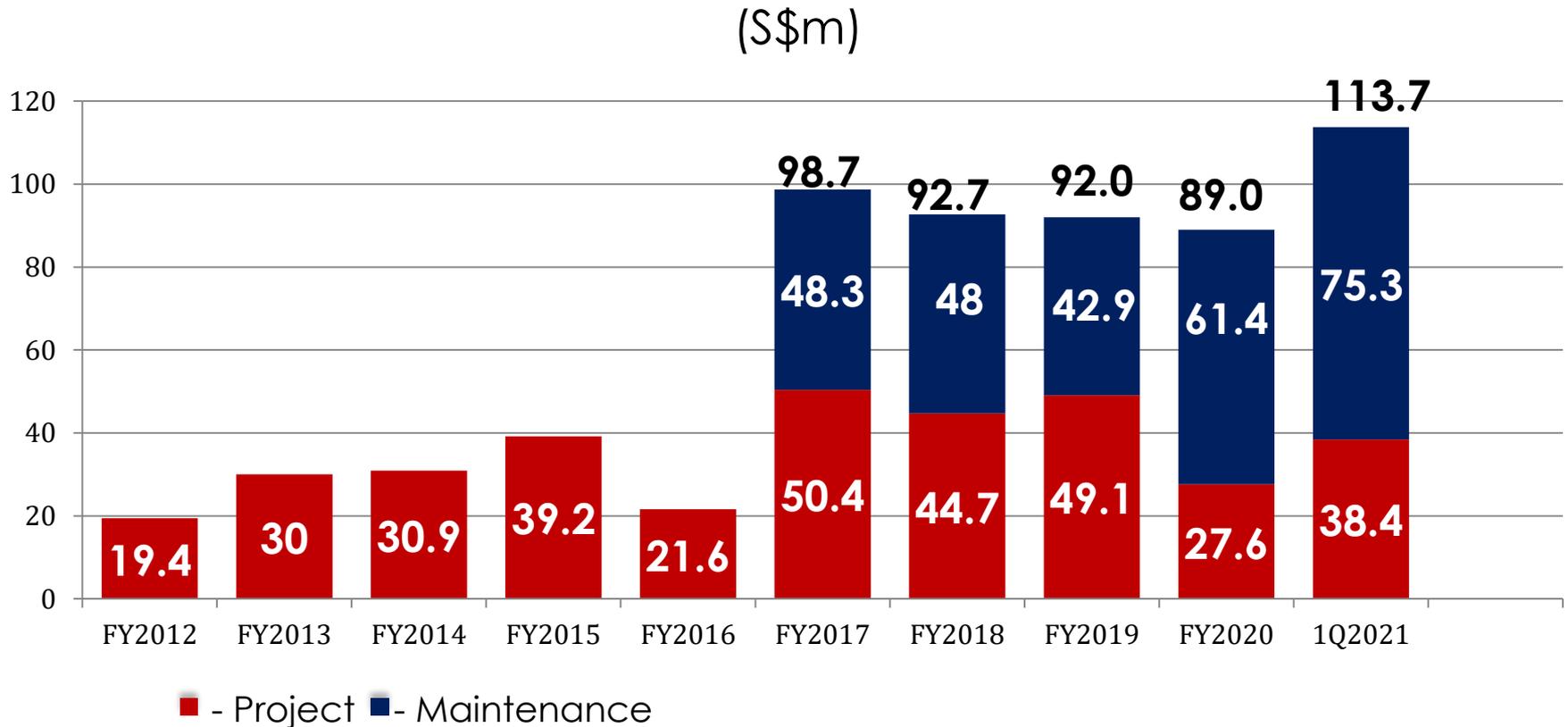
(2) Negative due to the Group being in a net cash position

(3) Increase due to \$21 million loan from the acquisition of Ensure in April 2017

(4) Increase due to \$10 million loan for the purchase of factory at 2 Tuas Ave 10

(5) Net debt is due to the acquisition of Envipure Group

# Order Book



Note:

The order book from FY2011 to FY2016 does not include maintenance contracts as they do not have a contract value upfront. From FY2017, maintenance contracts are included and the values are estimated based on historical revenue trends.

**As of 24 May 2021, the estimated order book is S\$122.7m**

# Contracts Win

## **May 24, 2021 - Total value: S\$24.2m**

- Insulation: newly acquired maintenance contract for thermal spray aluminium work
- Petrochemical: newly acquired tank cleaning work. Mechanical repairs and renewal of operation and maintenance of waste to energy plant.
- Cleanroom: supply and install air pollution control scrubbers and water treatment plant and renewal of mechanical and tools hook-up services
- Precision Engineering: capital contracts for machining and mechanical assembly
- System Integration: capital contracts for manufacture of valves remote control and tank gauging systems and retrofitting valves remote control system

## **Feb 28, 2021 - Total value: S\$62.3m**

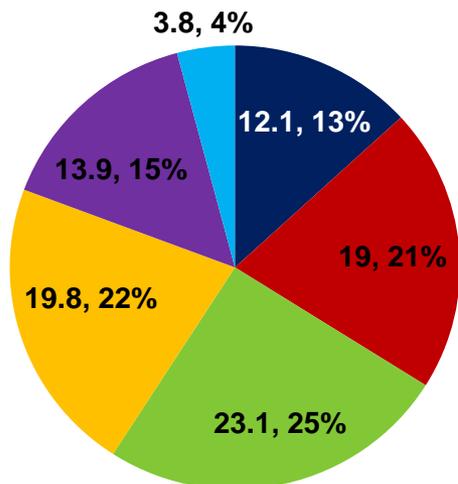
- Insulation: capital project and newly acquired maintenance contract for scaffolding, insulation and painting work
- Scaffolding: capital project and renewed maintenance contract for scaffolding work
- Petrochemical and Cleanroom: renewed and new maintenance contracts for servicing and maintenance of sludge, grit and related equipment at various water reclamation plants and mechanical and tools hook-up services.
- Precision Engineering and System Integration: capital contracts for machining and mechanical assembly and manufacture of valves remote control and tank gauging systems.



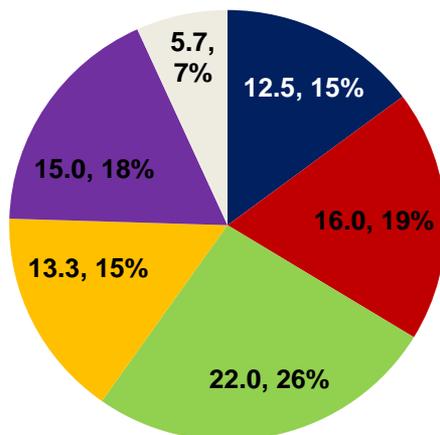
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# Revenue Contribution by Services

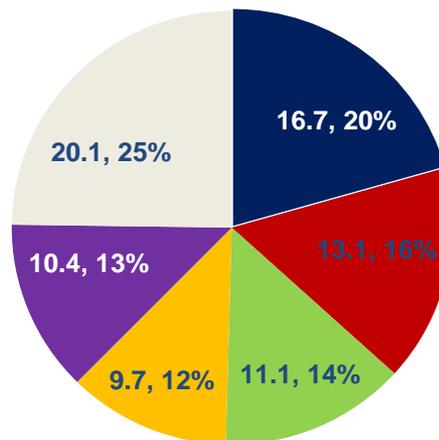
### FY2018



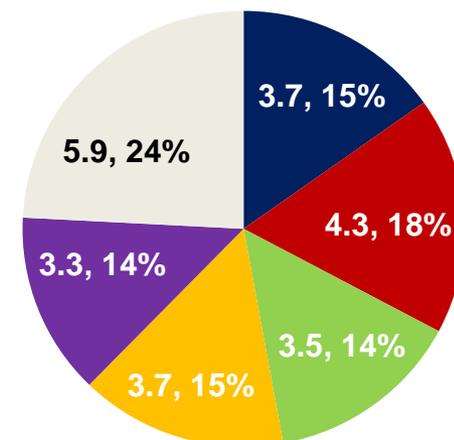
### FY2019



### FY2020



### 1Q2021



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

Note: Combined contracts between the entities such as SIP contracts are reflected in the entity who won the contracts. Value is approximately FY17:\$1.3m, FY18:\$3.6m, FY19:\$2.1m, FY20:\$2.3m, 1Q21:\$1.2m

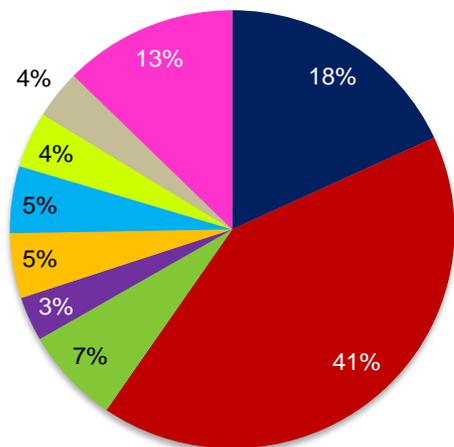
The acquisition of Multiheight in 2011 has effectively reduced industry-specific risk and supported the Group's consistent revenue growth. The acquisitions of Austin Energy in 2015 and Ensure Engineering in 2017 and Envipure in 2019 have further diversified the Group's revenue stream and stimulated revenue growth.



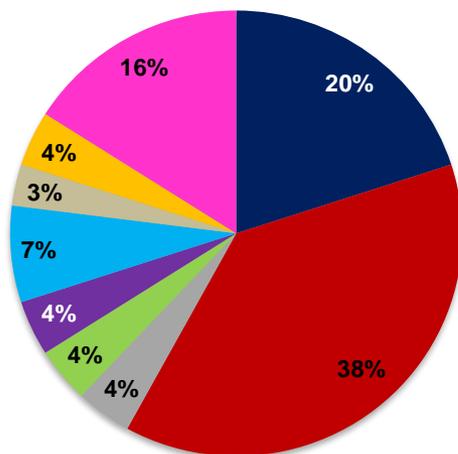
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# Revenue Contribution by Industry

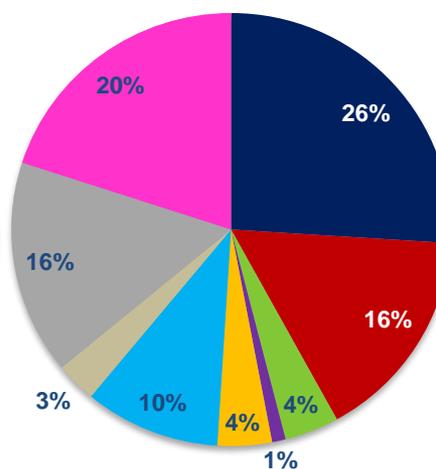
FY2018



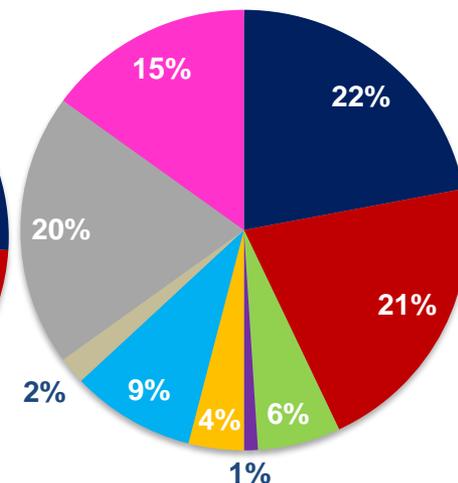
FY2019



FY2020



1Q2021



- Onshore/Downstream
- Marine/Upstream
- Electronics Manufacturing System
- Onshore/Infrastructure
- Analytical Instrumentation
- Medical equipment/Industrial/manufacturing
- Pharmaceutical
- Aerospace
- Semiconductor
- Carbon allowances

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# Dividends Paid

Payment date	Financial Year	Final / Interim / Special	Amount per share (cents)	Payout ratio
May 14, 2021	2020	Final	0.362	40%
Sep 4, 2020		Interim	0.187	
May 14, 2020	2019	Final	0.419	
Sep 5, 2019		Interim	0.429	
May 14, 2019	2018	Final	0.353	
Sep 5, 2018		Interim	0.779	
May 14, 2018	2017	Final	0.873	
Sep 5, 2017		Interim	0.653	
May 12, 2017	2016	Final	0.731	
Sep 2, 2016		Interim	0.5372	
May, 13 2016	2015	Final	0.65	
Sep 8, 2015		Interim	0.40	
May 21, 2015	2014	Special	0.25	25%
May 21, 2015		Final	0.25	
May 15, 2014	2013	Final	0.25	16%
May 15, 2013	2012	Final	0.25	22%
May 21, 2012	2011	Final	0.25	56%
May 16, 2011	2010	Final	0.53	30%
<b>Total</b>			<b>8.1532</b>	



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# Nordic's Share Buyback – renewed on 26 April 2021 AGM

MONTH OF ACQUISITION	QUANTITY	CUMULATIVE VOLUME	CUMULATIVE % OF TOTAL NO OF ISSUED SHARES **
<i>Share Buyback by way of Market Acquisition</i>			
2015	4,669,200	4,669,200	1.17
2016	2,155,400	6,824,600	1.71
2017	62,500	6,887,100	1.72
2018	593,800	7,480,900	1.87
2019	615,600	8,096,500	2.02
2020	3,003,500	11,100,000	2.78
January 2021	175,000	11,275,000	2.82
February 2021	268,000	11,543,000	2.89
March 2021	171,100	11,714,100	2.93
April 2021	90,000	11,804,100	2.95
May 2021	161,000	11,965,100	2.99
<b>VOLUME WEIGHTED AVERAGE PRICE</b>		<b>\$0.2176</b>	

Source : SGX Announcement

\*\* Up to a maximum of 40 million shares being 10% of total issued shares of 400 million shares (including treasury shares).

## Directors' and Executive Officer's 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%

21 May 2021 :

Director / Executive Officer	No. of shares held	% shareholdings*
Chang Yeh Hong	218,017,325	56.18%
Eric Lin Choon Hin	44,050,000	11.35%
Dorcas Teo Ling Ling	32,319,500	8.33%
Lee Kok Keng Andrew	1,061,800	0.27%
Chia Meng Ru	1,871,600	0.48%
	297,320,225	76.61%

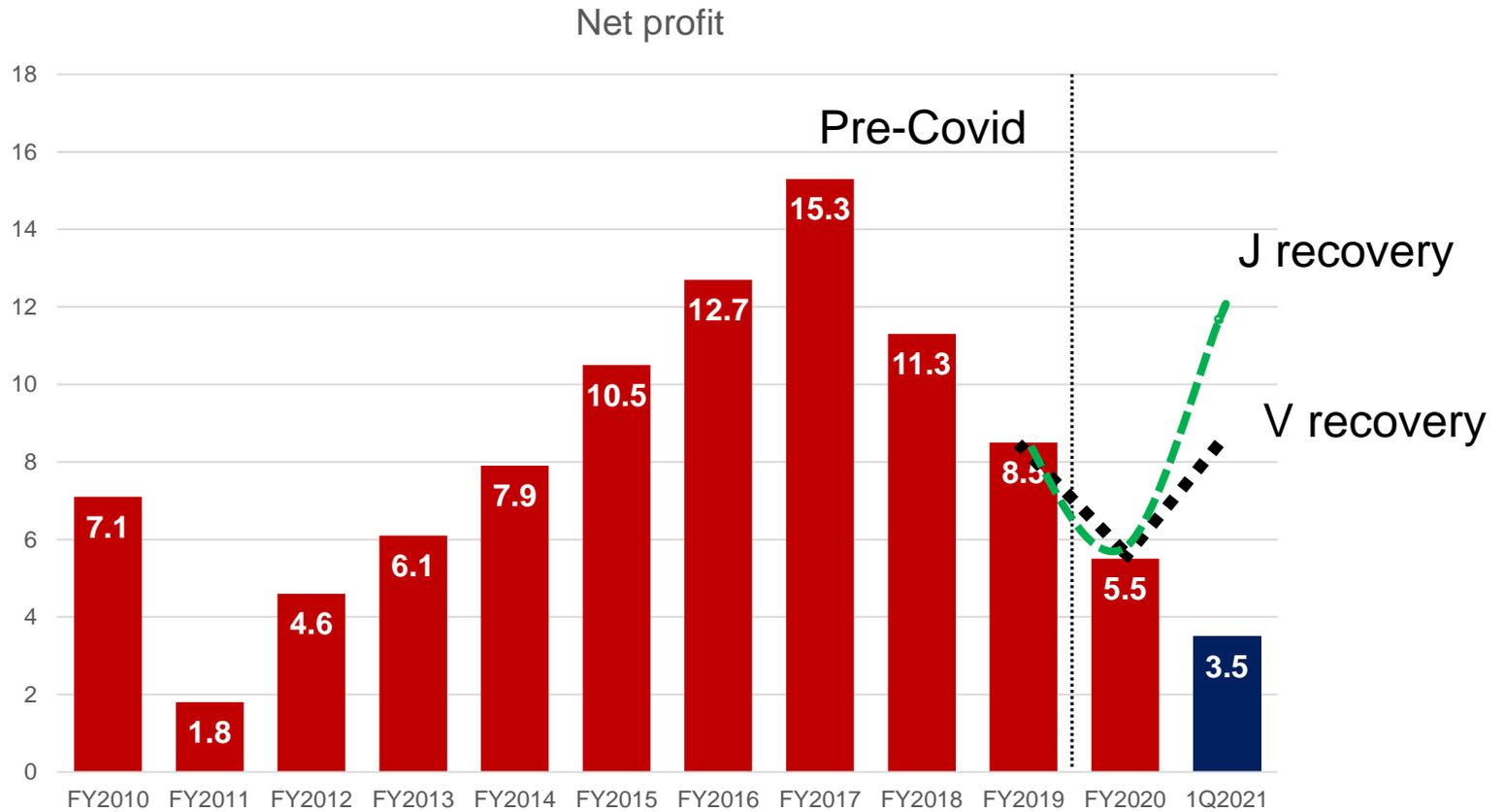
\* Calculated based on 388,034,900 ordinary shares



# Business Outlook

- The Group's businesses and performance have been impacted and disrupted by a slowdown in economic activities due to the Covid-19 pandemic
- All entities have resumed work with some disruptions from quarantine orders at times since 2H2020
- **The worst is behind us and we look forward to better performance, back to pre- Covid-19 levels**
- We remain optimistic with the contract wins secured to date, the prudent cost and risk management initiatives undertaken and the opportunities for M&A, *Nordic Group will continue to deliver value to shareholders.*

# 2021 Recovery



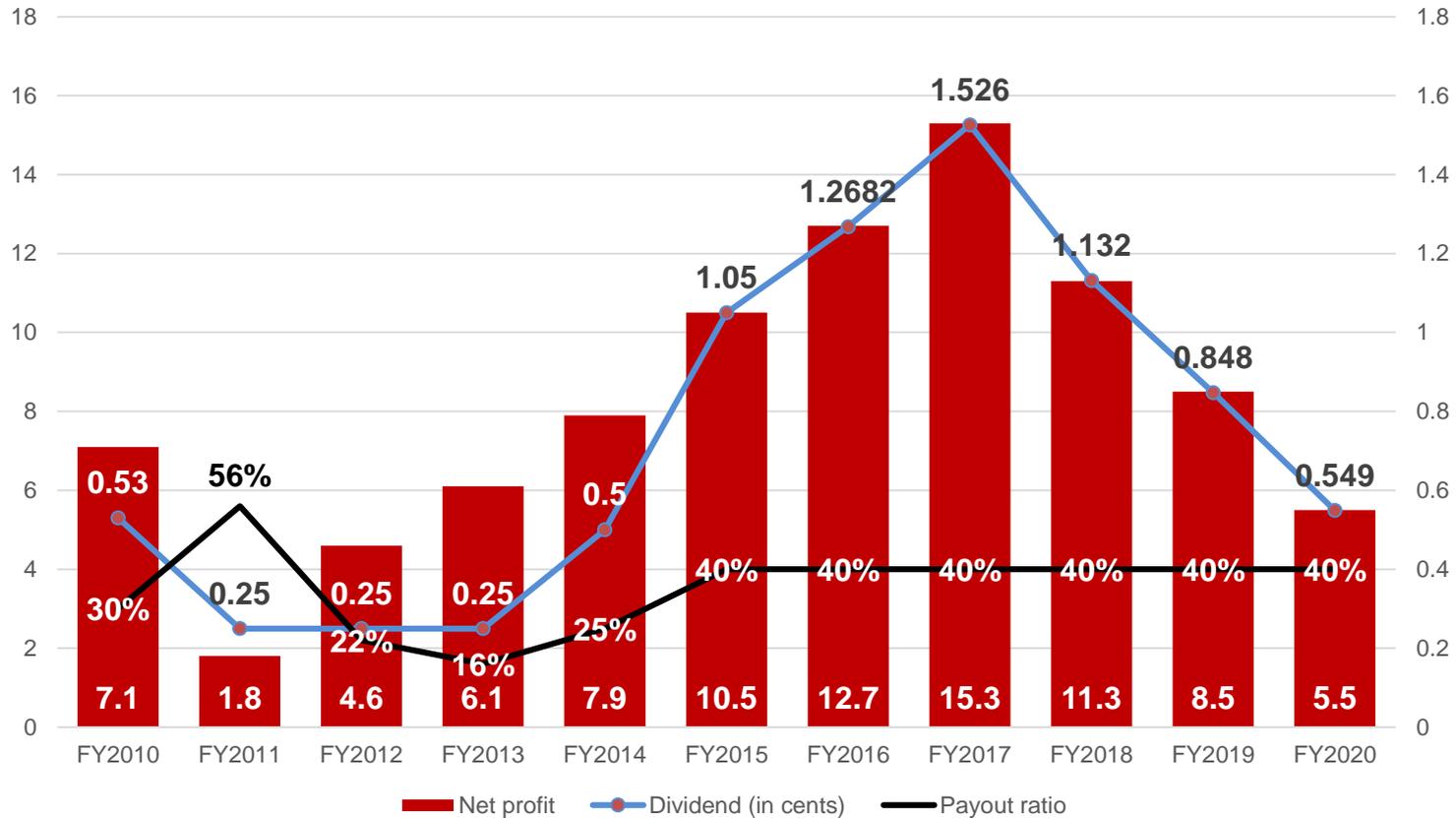


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**Q&A**

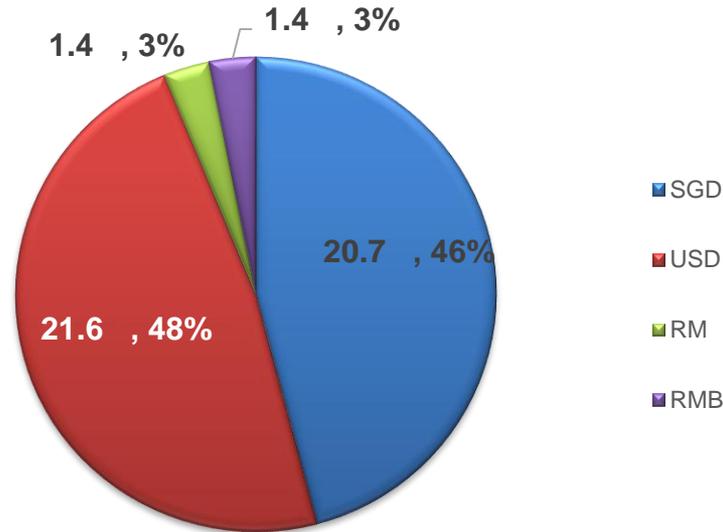
# Dividends Paid

Net profit, Dividends (in cents) and Dividends Payout Ratio



# Forex Gains / Losses

Cash at 31 March 2021 – foreign currencies in S\$m equivalent



1. Monthly marked to market – unrealised gains/loss
2. Forex structures to enhance yield and convert USD to RMB or SGD with higher conversion rates

# M&A Track Records

2011

Multiheight

- Acquired for around S\$29m
- Design, erection, modification dismantling and rental of scaffolding system
- Diversify from shipyards to serve oil majors like ExxonMobil and Chevron etc.
- Gain recurring income and reduce lumpy earnings trend via maintenance services
- Goodwill S\$12.3m
- Cumulative EBIDTA FY2011 to FY2013 S\$15.8m already exceeded goodwill of S\$12.3m

2015

Austin Energy

- Acquired for around S\$26m
- Specialize in thermal and cryogenic insulation, fireproofing and industrial coating
- Complementary business to scaffolding, able to cross-sell and bundle both sides to same or new set of customers
- Enable entry into pharmaceutical industry, further diversifying offshore marine risks
- Goodwill S\$10.2m
- Cumulative EBIDTA FY2015 to FY2017 S\$12.4m already exceeded goodwill of S\$10.2m

2017

Ensure Engineering

- Acquired for around S\$17m
- Specialize in engineering repairs, maintenance, plant turnaround services as well as decontamination and recovery services
- In line with Group's strategy to acquire earnings accretive, familiar customer base and complementary businesses with recurring income
- Move Nordic from serving private sector into government agencies like PUB and NEA etc.
- Goodwill S\$7.1m
- Cumulative EBIDTA FY2017 to FY2019 S\$8.3m already exceeded goodwill of S\$7.1m

2019

Envipure

- Acquired for S\$14.8m
- Specialize in cleanroom, air and water engineering solutions which includes hook up services, air pollution control scrubbers and water treatment plants for the semiconductor, oil and gas, power plant and municipality sectors.
- In line with Group's strategy to acquire earnings accretive business
- Move Nordic to semiconductor sector
- Goodwill Nil



# Pandemic Updates – Manpower

Before

**1,070 foreign workers:**

111 S-pass

959 workers

After

**1,010 foreign workers:**

91 S-pass

919 workers of which  
260 are new workers as  
indicated below

New workers – 390

1. Arrived – 260

2. Entry approval to be  
rescheduled – 59

3. No entry approval -  
71



# Pandemic Updates - Dormitories

## Before

Concentration of 440 workers in one PBD

No cohorting

Common facilities such as common toilet and cooking area

## After

**Well spread over 15 Purpose Build Dormitories. Max is 144 workers in one PBD**

**Different blocks, different floors in each PBD**

**En-suite dormitories so less inter-mixing. Shower, cooking and washing can be done in each individual unit**

**Govt commenced vaccination on Covid Naïve workers**

**Routine swab test every 2 weeks for all workers**



Building Momentum, Capturing Opportunities

Thank you for your time.

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