



Press Release

WEAK CONSTRUCTION DEMAND ADVERSELY AFFECTED NSL PROFITABILITY IN 2Q2017

- Group Turnover of \$83.5 million in 2Q2017 was comparable to 2Q2016
- Group Profit before tax fell 81% to \$1 million due to weak performance of Precast & PBU division.

Financial Highlights (Continuing Operations)	THE GROUP					
	Quarter ended 30 June			6 months ended 30 June		
	2017 S\$'000	2016 S\$'000 (restated)	Change %	2017 S\$'000	2016 S\$'000 (restated)	Change %
Group Turnover	83,519	84,555	(1)	169,623	167,832	1
Group Profit Before Tax	963	5,080	(81)	3,683	10,325	(64)
Group Profit Attributable to Shareholders	983	2,668	(63)	3,568	7,301	(51)
Earnings Per Share (cents)	0.26	0.71	(63)	0.96	1.95	(50)

* Figures have been restated due to the divestment of Dry Mix business in 2016.

Singapore, 06 August 2017 – NSL Group achieved a turnover of \$83.5 million in 2Q2017 which is comparable to the \$84.6 million in 2Q2016.

Precast & Prefabricated Bathroom Unit (“PBU”) division had low production loading in its precast operations in Singapore, Malaysia and Dubai in 2Q2017. However, this was compensated by higher revenue from Environmental Services division whose turnover more than doubled in 2Q2017. This was attributable to the consolidation effect of its newly acquired subsidiary in the fuel management service business and higher recycled fuel oil (“RFO”) sales.

Group Profit before Tax fell 81% from \$5.1 million in 2Q2016 to \$1 million in 2Q2017.



Precast & PBU division was about breakeven this quarter due to competitive margins in the precast construction markets in Singapore, Malaysia and Dubai, compounded by lower selling prices. However, the division's PBU business in Finland continued to perform satisfactorily.

The Environmental Services division recorded a lower loss of \$0.3 million in 2Q2017 as compared to the same period last year despite the fire incident in March 2017 which disrupted its waste treatment business. This was partially mitigated by the turnaround of the division's RFO business after a prolonged period of losses. The ongoing restructuring of the RFO business yielded higher operating volume.

After taking into account income tax and non-controlling interests, the Group reported a profit attributable to equity holders of \$1 million in 2Q2017 compared to \$2.7 million in 2Q2016.

Group turnover in 1H2017 was \$169.6 million, 1% higher than the \$167.8 million achieved in 1H2016. Group Profit before tax fell by 64% to \$3.7 million in 1H2017 mainly as a result of underperformance by the Precast & PBU division.

Outlook

The Precast business as a whole is expected to remain challenging. Singapore Precast would continue to face intense competition adversely impacting selling price. Both Malaysia and Dubai operations have healthy order books subject to risk of project delay. The division's PBU business in Finland is likely to continue to perform satisfactorily.

In the Environmental Services division, business outlook for RFO business should continue to improve with the business restructuring. However, the performance of the division's waste management services is expected to remain challenging as part of its facilities has been shut down for repair work since March following the fire incident. Full operation is expected to resume in 4Q2017. Nonetheless, the division has adequate insurance coverage for property damage and loss from business interruption.

Associate PEINER SMAG Lifting Technologies GmbH continues to face weak demand for its products.



About NSL

NSL and its group of companies is a leading industrial group in Asia Pacific. The Group's core businesses are Precast & Prefabricated Bathroom Unit (PBU) and Environmental Services.

The Precast & PBU division is a market leader in manufacturing precast concrete components in Singapore, Malaysia and Dubai while the PBU business is a dominant producer in Scandinavia.

The Environmental Services division is a key player in integrated environmental services in Singapore covering the treatment and logistics services of oily and toxic waste for both land and marine sectors. It is also a major distributor of Automotive Diesel Oil and other petroleum products in Singapore.

In addition, NSL Group has a majority shareholding in Raffles Marina Ltd, Asia's Premier Marina Club in Tuas, Singapore, and an associate company in Germany, PEINER SMAG Lifting Technologies GmbH, which is one of the world's largest producers of lifting accessories for bulk cargo and shipping containers.

NSL Group has an active Research and Development programme that leverages on technology to develop innovative products and process improvements for productivity. It also partners local government agencies and tertiary institutions to develop new and sustainable solutions for industrial applications.

The Group has operations and joint ventures in eight countries and has been listed on the Singapore Exchange since 1964.

For more information, please visit www.nsl.com.sg

For media queries, please contact:

Chia Tong Hee
Senior Vice-President
Finance & Corporate Service
DID: 6513 3913
Email: cth@nsl.com.sg

Yvette Tan
Assistant Vice-President
Corporate Communications
DID: 6513 3911
Email: ytan@nsl.com.sg