

Nordic Group Limited

Analyst Briefing

July 6, 2015



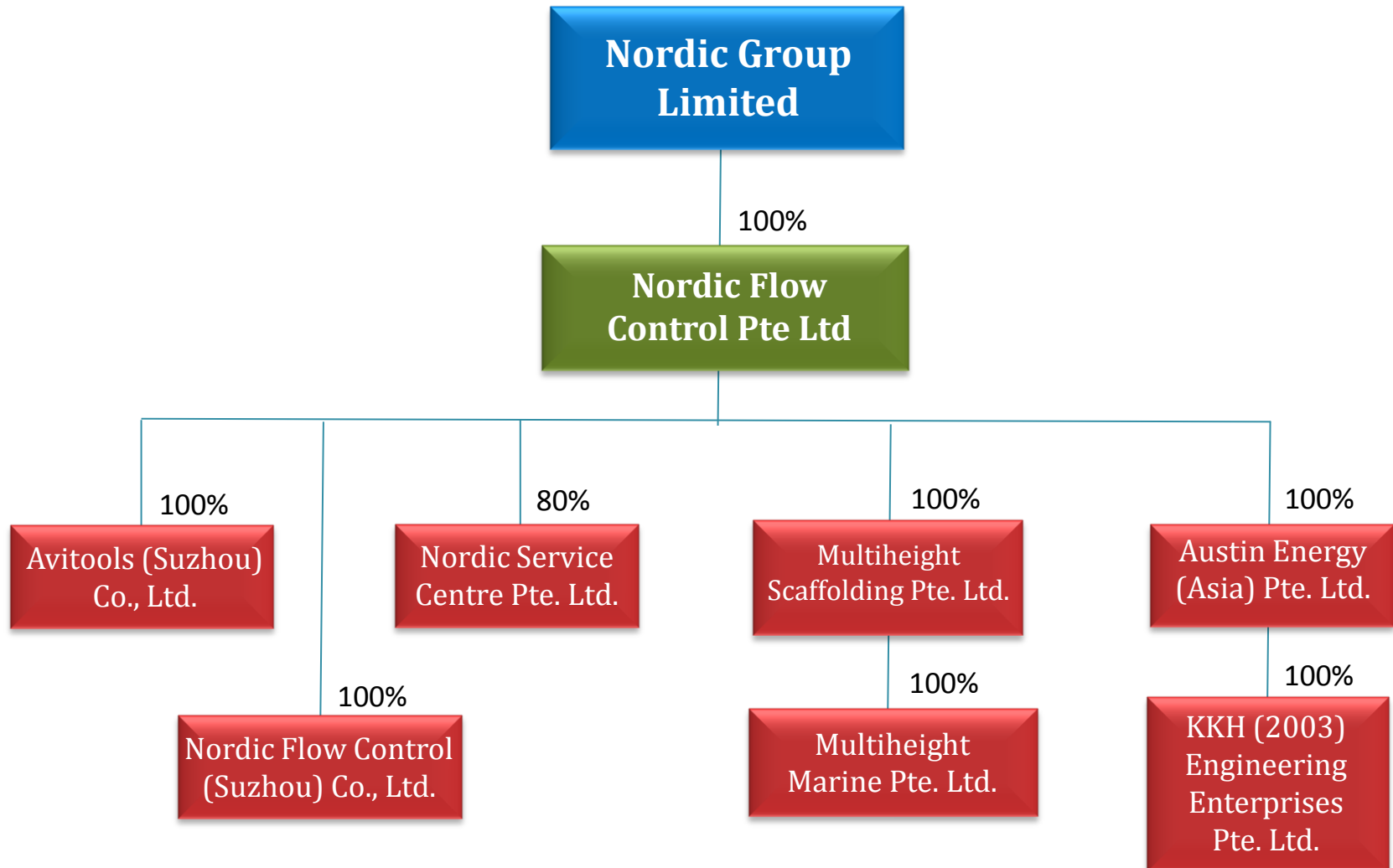
Disclaimer

- This presentation (this “Presentation”) has been prepared by Nordic Group Limited (“Nordic” or the “Company”) for information purposes only and has not been independently verified. It is not the intention to provide, and you may not rely on this Presentation as providing, a complete or comprehensive analysis of the Company’s financial or trading position or prospects. This Presentation does not constitute, or form any part of any opinion on any advice to sell, or any offer for the sale or subscription of, or invitation or agreement to subscribe for, or solicitation of any offer to buy or subscribe for, any securities, nor shall it or any part of it form the basis or be relied on in connection with, any contract or commitment or investment decision whatsoever.
- This Presentation may contain projections and forward-looking statements that reflect the Company’s current views with respect to future events and financial performance, which are based on current assumptions subject to various risks and may therefore change over time. No assurance can be given that future events may occur, that projections will be achieved, or that the Company’s assumptions are correct. Actual results may differ materially from those which may be projected.
- Opinions expressed herein reflect the judgement of the Company as of the date of this Presentation and may be subject to change without notice if the Company becomes aware of any information or developments, whether specific to the Company, its business or in general, which may have a material impact on any such opinions. Additionally, the information contained herein is current only as of the date of this Presentation and shall not, under any circumstances, create any implication that such information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the financial condition or affairs of the Company since the date herein. This Presentation may be updated from time to time and the Company does not undertake to post any such amendments or supplements on this Presentation.
- None of the Company or any of its subsidiaries, affiliates, advisers or representatives shall be responsible for any consequences resulting whatsoever from the use of this Presentation as well as the reliance upon any opinion or statement contained herein, or for any omission herein.
- Neither this Presentation nor any of its contents may be used, quoted, reproduced or disclosed in any manner by any other person without the prior written consent of the Company.



1. **Corporate Profile**
2. **Business Overview**
3. **Financial Review**
4. **Growth Strategy & Summary**

Group Structure



Executive Directors



Mr. Chang Yeh Hong, Executive Chairman

- Responsible for the formulation of our Group's strategic directions and expansion plans, and for the management of our Group's overall business development
- Over 18 years of experience in the banking industry



Ms. Dorcas Teo Ling Ling, Executive Director and CEO

- Oversees the Group's strategic marketing and business development as well as growing its business in the PRC
- More than 21 years of experience in the marine and offshore valve remote control industry



Mr. Eric Lin Choon Hin, Director, Special Projects and Product Development

- One of the founding shareholders, responsible for the development of new products as well as quality assurance and control, oversees customer care management and is responsible for driving customer care initiatives
- More than 15 years of experience in the marine, offshore and automation industries

Independent Directors



Ms. Juliana Lee Kim Lian, Independent Director

- More than 21 years of experience in legal practice and currently heads the corporate practice of Aptus Law Corporation
- Main areas of practice are corporate law, corporate finance, mergers and acquisitions and venture capital
- Chairman of our Nominating Committee



Ms. Ong Hua, Independent Director

- Senior Audit Manager at MOH Holdings Pte Ltd. with more than 20 years experience in audit and business advisory services
- Chairman of our Remuneration Committee



Mr. Hew Koon Chan, Independent Director

- 27 years experience; currently the Managing Director of Integer Capital Pte Ltd, a company which provides business consultancy services
- Also currently the Singapore representative for Feri Finance AG, a financial consultancy and wealth management firm
- Chairman of our Audit Committee

Senior Management



Rodney Koh Wei Ming
CEO, Avitools (Suzhou)



Anbalagan Rajagopal
Managing Director,
Austin Energy



Robin Yip Kin Hoong
COO, Multiheight
Scaffolding



Catherine Thung Sim Yee
Group Financial Controller



Samantha Lim Bee Hong
Group Head, Business
Excellence of China
GM, Nordic Flow Control
(Suzhou)
DGM, Avitools (Suzhou)



Tang Yew Quan
Director, Multiheight
Scaffolding & Austin Energy

Senior Management



Chou Chee Fatt
General Manager,
Technical Support



Jeanette Lee Mei Hue
General Manager,
Sales



Foo Chee Tsuan
General Manager,
Power & Automation

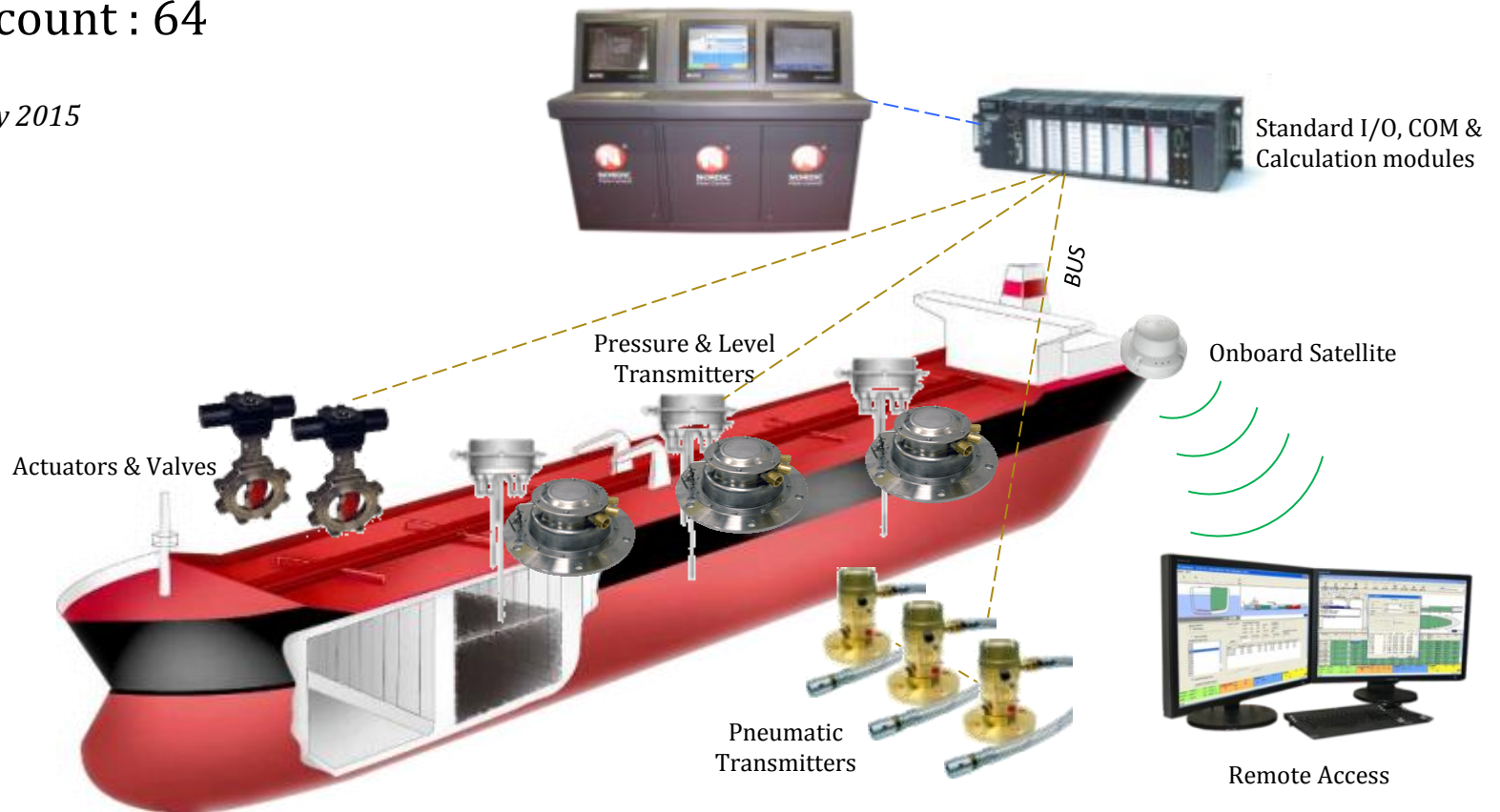


Year 1998

Incorporation of Nordic Flow Control Pte Ltd

Headcount : 64

As at May 2015



Corporate Milestones

Year 2004

Acquired Avitools business and incorporated Avitools Suzhou

Factory Space: 49,000 sq ft

Headcount : 142

As at May 2015



Corporate Milestones

Year 2009

Incorporated Nordic Suzhou

Factory Space: 44,000 sq ft

Headcount: 74

As at May 2015



Corporate Milestones

Year 2010

Listed on the Mainboard of SGX-ST



Year 2011

Acquired Multiheight Group

Factory Space: 46,800 sq ft (*at multiple sites*)

Headcount: 713

As at May 2015

MULTIHEIGHT



Year 2013

Relocated to larger premises at 5 Kwong Min Road

Land Area : 43,000 sq ft

(with potential factory space of 100,000 sq ft at plot ratio of 2.5)



Year 2013

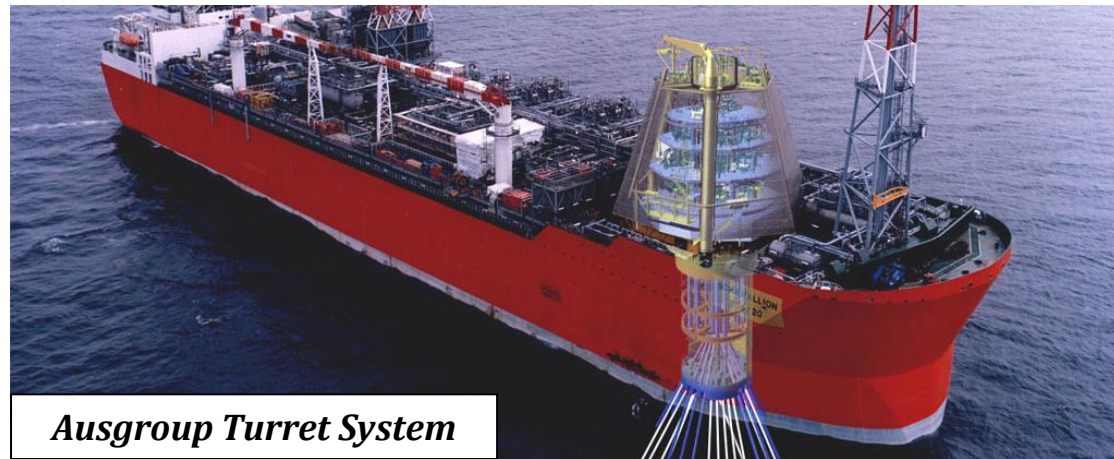
Established Nordic Service Centre as part of MRO business



Changi Airport T6



*Ng Teng Fong General Hospital &
Jurong Community Hospital*



Ausgroup Turret System

Year 2014

Entered into OEM agreements with Praxis(Netherlands)* and PSM(UK)* to expand our product offering under Nordic Integrated Solutions.



Fire Alarm System



Propulsion Control System



Dynamic Positioning



Console



Switchboard



Intelligent Transmitter

* Praxis Automation Technology B.V. and PSM Instrumentation Limited

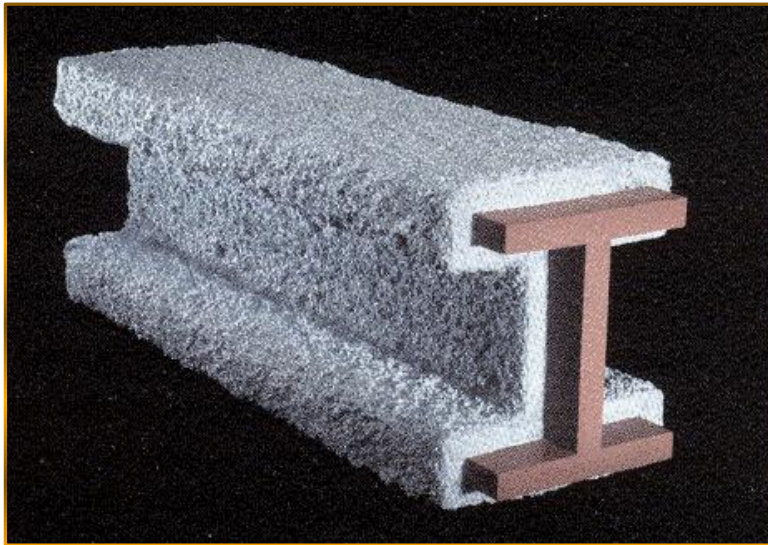
Year 2015

Acquired Austin Energy (Asia) Pte. Ltd.

Factory Space: 45,000 sq ft

Headcount: 250

As at May 2015



Passive Fire-Proofing



Thermal Insulation



1. Corporate Profile
2. Business Overview
3. Financial Review
4. Growth Strategy & Summary

OUR BUSINESS



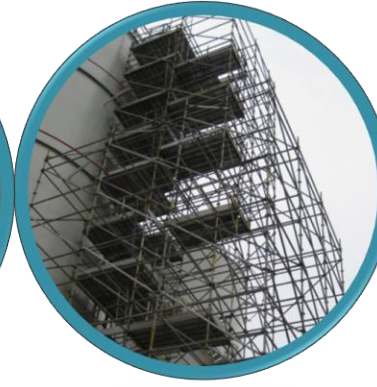
**1. System
Integration**



**2. Maintenance, Repair,
Overhaul (MRO) & Trading**



**3. Precision
Engineering**



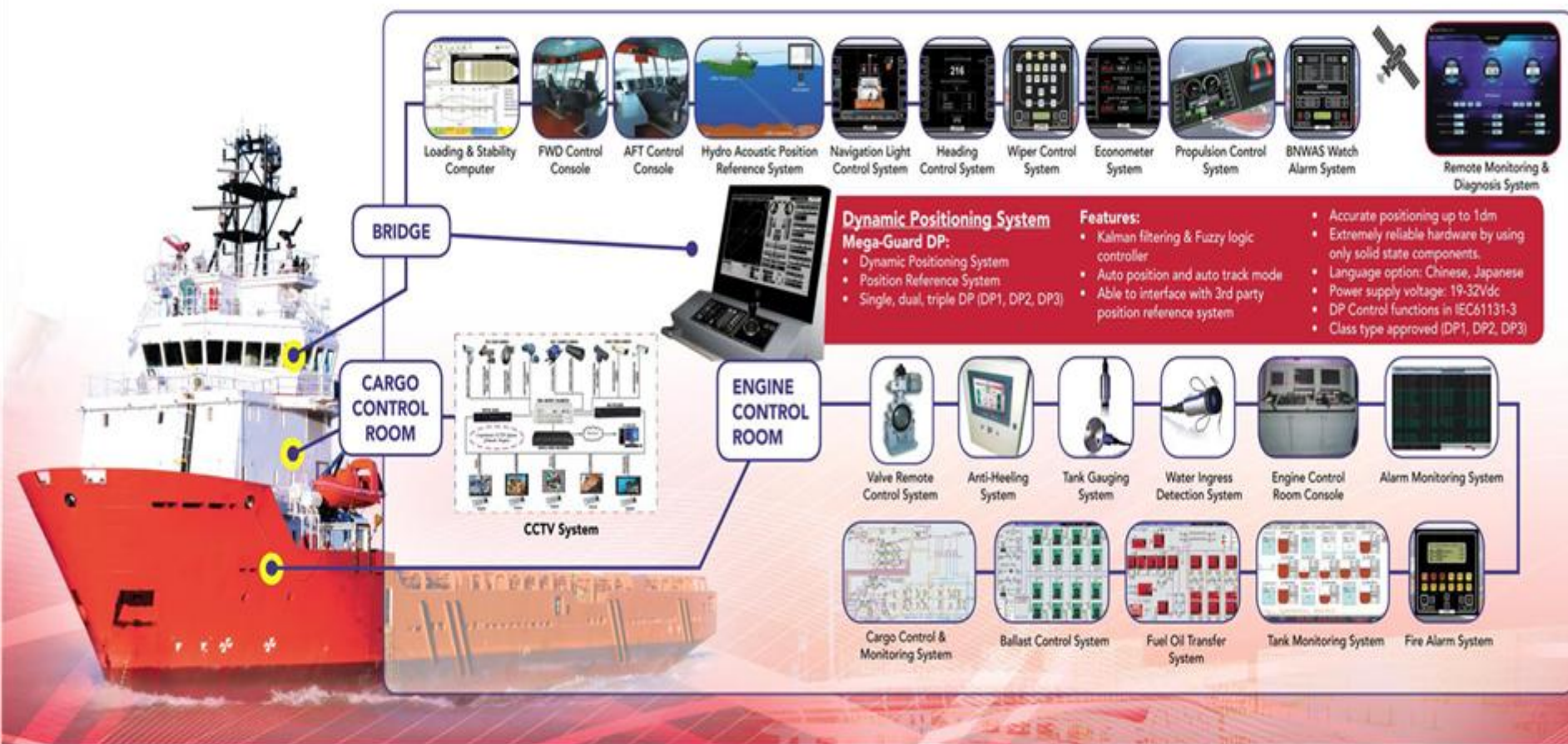
**4. Scaffolding
Services**



**5. Insulation
Services**

1. System Integration – Overview

Our integrated control and management system provides a versatile and dependable ship automation solution with a standard, user-friendly interface to the subsystems of modern vessels.



1. System Integration – Vessels

Types of Vessels using Nordic's Systems



Semi-Submersible



FPSO



Drillship



Jack-Up



Container Vessel



Submersible Barge



LNG



Pipelaying Vessel



Bulk Carrier



Chemical Tanker



Oil Tanker



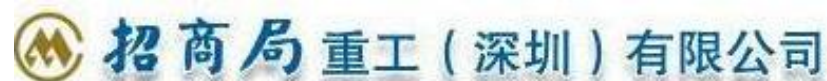
AHTS

1. System Integration – Clients

Keppel FELS **Keppel Shipyard** **Keppel Singmarine**



PPL Shipyard Pte Ltd



2. MRO and Trading – Overview

As part of our after-sales service, we provide our customers with a dedicated team of consultants who are responsible for any after-sales requests for maintenance, repairs and overhauls.



- Captive business with an existing pool of over 1,000 vessels with our systems installed
- Numbers are steadily growing with every delivery of new vessels
- Provides a steady stream of income
- High barriers to entry as high-level of expertise is required

2. MRO and Trading – Clients



BUMIARMADA



PETRONAS



Petrofac



DIAMOND
OFFSHORE



MAERSK



Saipem



Prosafe

BERNHARD SCHULTE
SHIPMANAGEMENT



Teras Offshore

A subsidiary of Ezion Holdings Limited



V.Ships

2. MRO and Trading –Global Network



Nordic Factory

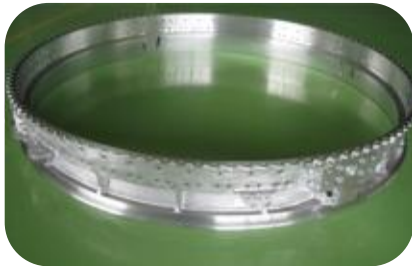


Sales & Service Office

3. Precision Engineering - Overview

We specialise in the design and building of tooling systems, and provision of turnkey production solutions. Our customers are mainly from the marine, oil and gas, aerospace, medical and electronic manufacturing services industries.

Manufacturing of components for:



Aerospace Industry



Medical Industry



Oil & Gas Industry



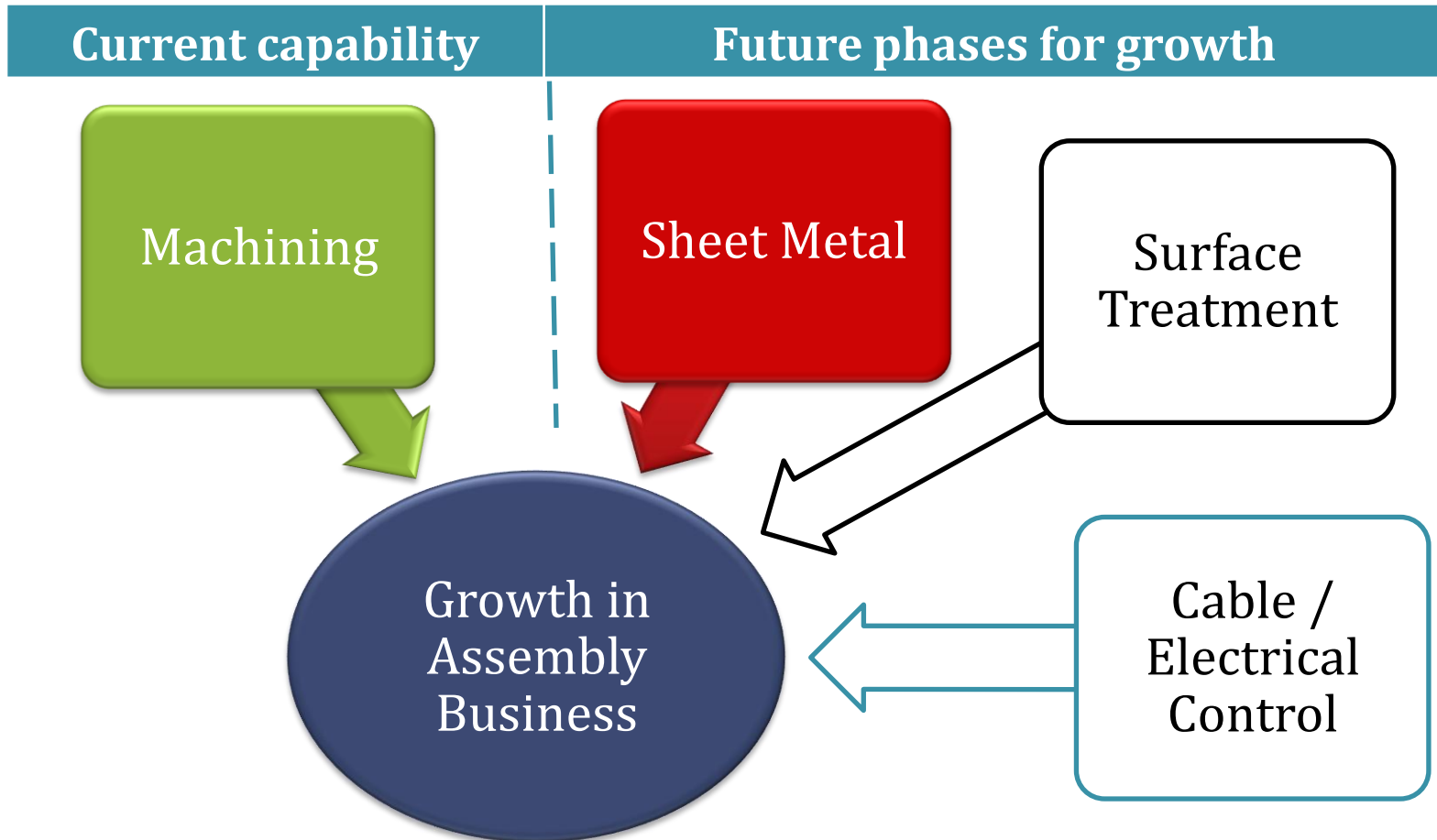
EMS Industry



Customized CNC Machine

3. Precision Engineering - Growth

Formation of strategic alliances and partnerships to expand capabilities for further growth of the assembly business.



3. Precision Engineering - Clients



GE Oil & Gas

ASM



Assembly Systems

ThermoFisher
S C I E N T I F I C



 **Speedline**
technologies



PANalytical



4. Scaffolding Services – Overview



MULTIHEIGHT
MULTIHEIGHT SCAFFOLDING PTE LTD

One of the market leaders in metal scaffolding works with 25 years track record servicing the Oil & Gas, Construction and Marine Industry.

Business Activities	Quality Standing
<ul style="list-style-type: none"> • Design, Erection, Modification & Dismantling of Scaffold & System. • Rental of Scaffold System, Components & Parts. 	<ul style="list-style-type: none"> • Ministry Of Manpower (MOM) approved scaffold contractor. • MOM Safety Performance Award for 10 years from 2002 to 2014. • One of the 3 Companies who received the BizSafe Star Award in 2009. • Obtained the BizSafe Partner Certification in 2010. • The first scaffold contractor in Singapore to be awarded the ISO 9001 (previously known as ISO 9002) certificate. • Other certification includes:- <ul style="list-style-type: none"> ✓ OHSAS18001 : 2007 ✓ SS506:Part1 : 2009

4. Scaffolding Services – Projects Summary

Daily Plant Maintenance	Project	Turnaround / Shutdown Maintenance *
<ul style="list-style-type: none"> • BASF Southeast Asia Pte Ltd • Invista Fibres • Stolthaven Terminal • Kuraray Asia Pacific • Chemical Industry Far East Limited • FACI Asia Pacific Pte Ltd • Keppel Shipyard Limited • Tuas Power • SLNG Terminal 	<ul style="list-style-type: none"> • LPSF tankage – Tuas • Aurora Project – ExxonMobil • Alpha heat phase 1 project – Lucite • Celanese Expansion Project – Celanese • Carboxylate Project - Chevron Oronite • Stolthaven Terminal Phase 2D Construction – Chiyoda 	<ul style="list-style-type: none"> • Chevron Oronite • Celanese • Lucite • Linde Syngas-Hiap Seng • SMAG-Nippon Express • Eastman Chemical - Woodgroup • SLNG Terminal - Hiap Seng • ExxonMobil • Kuraray Asia Pacific

•Turnaround / Shutdown maintenance contracts occur every 2 years. Last turnaround / Shutdown maintenance was in 2013.

4. Scaffolding Services - Clients

ExxonMobil



Oronite



SMOE

Oiltanking



Celanese



PEC LTD.

Sankyu
singapore



PEC LTD.



CHIYODA



Lucite
International
Going further



Keppel Shipyard

Keppel Singmarine



SEMBAWANG
SHIPYARD



MES

MITSUI ENGINEERING &
SHIPBUILDING CO.,LTD.



McCONNELL
DOWELL



Asia Projects Engineering Pte Ltd



協成工程有限公司
HIAP SENG ENGINEERING LTD



BASF
The Chemical Company



MUN SIONG
ENGINEERING LIMITED



JACOBS

5. Insulation Services – Overview

AUSTIN ENERGY

Group completed the acquisition of Austin Energy (“AE”) on June 2, 2015.

Austin Energy specializes in comprehensive Insulation Services (primarily in Thermal Insulation) and Passive Fireproofing Services in the Petrochemical, Pharmaceutical, Marine and Oil and Gas Industries.

KKH, its subsidiary, specializes in fabrication services.



5. Insulation Services - Clients



ConocoPhillips



Oronite



GlaxoSmithKline

ExxonMobil



5. Insulation Services – Project Summary

No.	Description	Year	Average Number of Insulators	Insulation Surface Area (M2)
1	Total Maintenance	2006	58	28,195
2	Total Maintenance	2007	79	38,371
3	Total Maintenance	2008	113	57,082
4	Total Maintenance	2009	124	62,790
5	Total Maintenance	2010	137	69,069
6	Total Maintenance	2011	110	55,010
7	Total Maintenance	2012	127	60,240
8	Total Maintenance	2013	135	81,565
9	Total Maintenance	2014	155	94,420



**Glaxo
Smith Kline**



**Chevron
Oronite**



**Celanese
Chemical**



**Pfizer
Pharmaceutical**



**Merck Sharp
& Dhome**

5. Insulation Services – Project Summary

No.	Description	Year	Average Number of Insulators	Insulation Surface Area (M2)
1	Total Turn Around	2006	120	7,929
2	Total Turn Around	2007	165	12,766
3	Total Turn Around	2008	148	13,101
4	Total Turn Around	2009	163	14,411
5	Total Turn Around	2010	179	15,852
6	Total Turn Around	2011	143	12,365
7	Total Turn Around	2012	152	13,791
8	Total Turn Around	2013	169	18,673
9	Total Turn Around	2014	188	21,616



Chevron Oronite



ExxonMobil



**Glaxo
Smith Kline**



Celanese

5. Insulation Services – Project Summary

Completed Projects for 2013-2014

No.	Owner	Description	Type and Scope of Work	Period
1	Lanxess Butyl Pte Ltd	PBR NdBR Singapore Project	Insulation& Fireproofing	Apr 14 -Dec 14
2	M3ENERGY Offshore Limited	EPC Topside Module for Bukit Tua FPSO Project (@Batam, Indonesia)	Insulation	Feb 14 - Jun 14
3	Tecnicas Reunidas Australia	Tan Burrup Project (@Batam, Indonesia)	Insulation	Jun 13 - Sep 14
4	Shell Eastern Petroleum	Leo +/- Silver Project	Insulation	Nov 13 - Nov 14
5	Evonik Methionine SEA Pte Ltd	Evonik Me5 Project	Insulation	Aug 13 - Aug 14
6	Petro Vietnam Lamson Joint Operating Company	Thang Long & Dong Do Field Development Project (@ Batam, Indonesia)	Insulation	Mar 13 - Jun 13
7	ExxonMobil Singapore	S-HDS Project	Fireproofing	Jan 13 - Jun 13
8	Chevron Oronite Pte Ltd	Chevron Singapore Expansion Project	Piping and Equipment Insulation	Mar 13 - Jan 14
9	PTTEP International Limited	Zawtika Project	Pipingand Equipment and Architectural	Sep 12 - Sep 13
10	Chevron Oronite Pte Ltd	Chevron Singapore Expansion Project	Tanks Insulation	Jan 13 - Jul 13
11	ExxonMobil Singapore	Olefin Recovery Unit Completion Project	Painting and Insulation	Jul 12 - Mar 13
12	Conoco Philips	Ekofisk Project	Piping, Equipment, Duct and Architectural	Nov 11 - Aug 13
13	Formosa Petrochemical Corporation	Sour Water Stripper Replace Insulation	Blasting, Painting and Insulation	Aug 11 - Aug 13

5. Insulation Services – Financial Highlights

Financial Highlights of AE Group

<i>FY2014</i>	S\$'000
Revenue	28,974
Gross Profit	10,739
<i>Gross Profit Margin</i>	<i>37.1%</i>
Profit before Tax	7,572
Profit after Tax	6,281
<i>As at 31/12/2014</i>	
Current Assets	19,704
Non-Current Assets	6,257
Current Liabilities	10,411
Total Equity	15,550
Current Ratio	1.9

Note: The above numbers for AE Group is adjusted for due diligence adjustments and provisional fair value adjustments

5. Insulation Services – About the Acquisition

- In line with Group's strategy to acquire new synergistic businesses
- Enhances the Group's range of products and services, and in turn strengthens customer base



Post acquisition, we expect -

Improved revenue contribution from **Marine** and **Petrochemical** related businesses

Further diversified revenue stream including **Pharmaceutical** related business

5. Insulation Services – Synergistic Value

- **Multiheight Group, another subsidiary of Nordic Group, provides scaffolding service that AE requires**
- **Typically, Insulation packages are coupled with Scaffolding packages**



Companies providing both these services have competitive edge over others

5. Insulation Services – Valuation of AE Group

- At purchase consideration of S\$26.0 million

4.1x of AE Group's 2014 earnings

- Provisional goodwill and intangible asset of approximately S\$10.1 million
- AE Group currently has an order book of S\$12.2 million

<i>Pro forma financial effects</i>		
<i>Assuming that the Proposed Acquisition had been effected at the beginning of FY2014</i>	Before the Proposed Acquisition	After the Proposed Acquisition
Earnings per Share for FY2014 - Basic/diluted (cents)	2.0	3.5





- 1. Corporate Profile**
- 2. Business Overview**
- 3. Financial Review**
- 4. Growth Strategy & Summary**

Financial Review

Financial Highlights

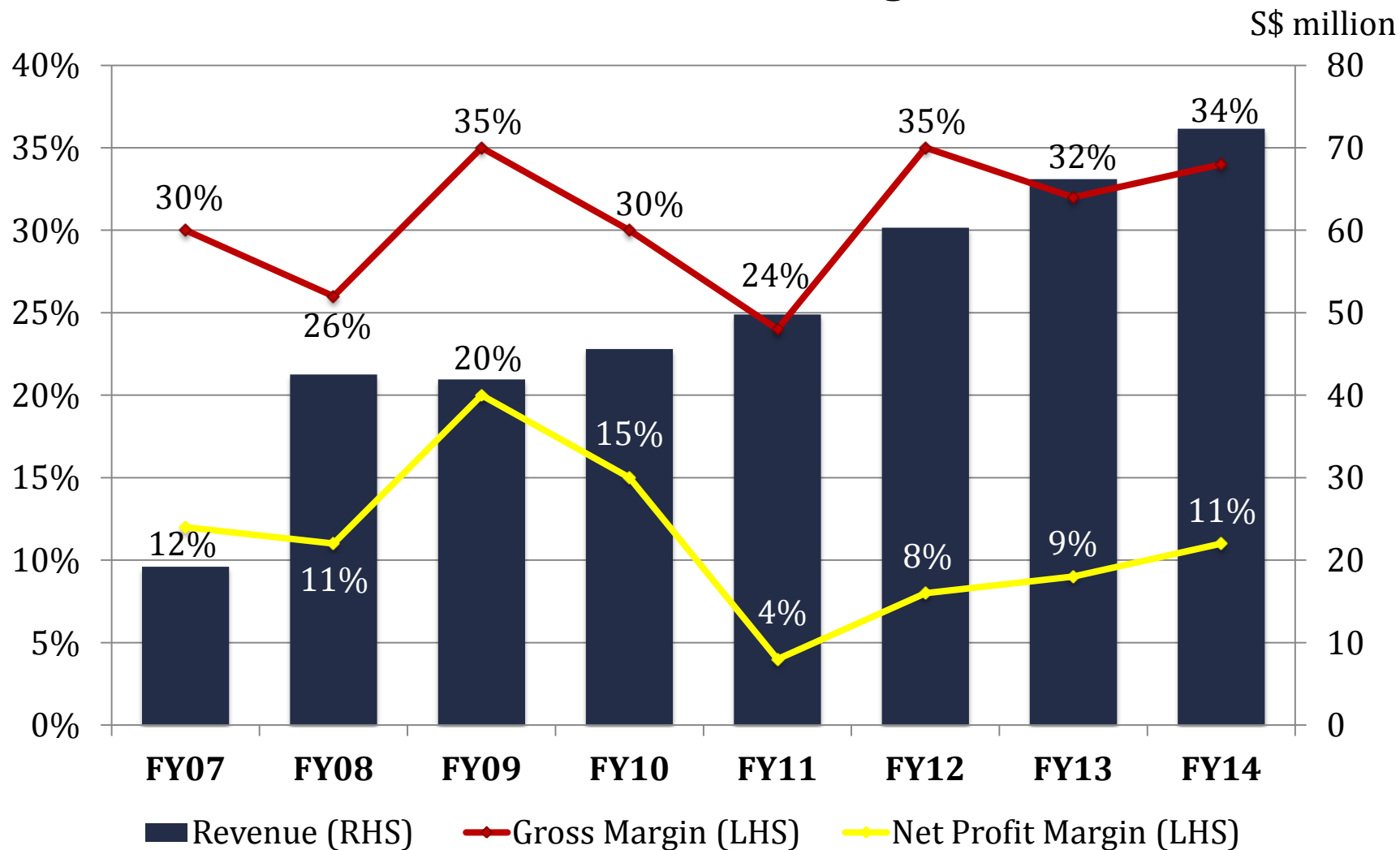
S\$'000	Unaudited 1Q2015	Unaudited 1Q2014	Change (%)	Audited 2014	Audited 2013	Change (%)
Revenue	16,613	14,421	15	72,424	66,220	9
Gross Profit	5,314	4,791	11	24,410	21,417	14
<i>Gross Profit Margin (%)</i>	<i>32.0%</i>	<i>33.2%</i>	<i>(1.2 ppts)</i>	<i>33.7%</i>	<i>32.3%</i>	<i>1.4 ppts</i>
Profit Before Tax	1,650	996	66	9,169	6,686	37
Profit After Tax	1,451	901	61	7,866	6,102	29
<i>Net Profit Margin (%)</i>	<i>8.7%</i>	<i>6.2%</i>	<i>2.5 ppts</i>	<i>10.9%</i>	<i>9.2%</i>	<i>1.7 ppts</i>
EBITDA	2,497	1,813	37.7	12,705	10,435	22
EPS (cents)*	0.4	0.2	50	2.0	1.5	33

* Computed based on 400,000,000 shares

** Ppts: percentage points

Financial Review

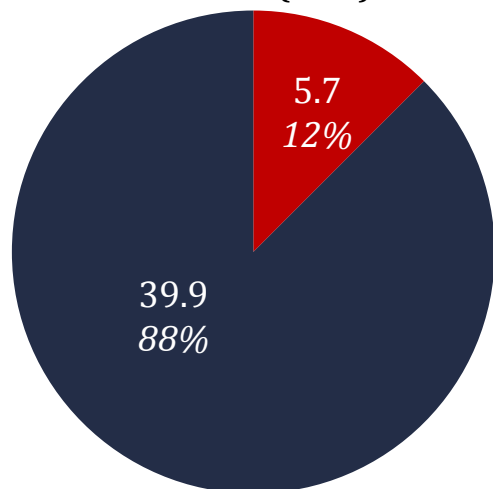
Revenue and Profit Margin



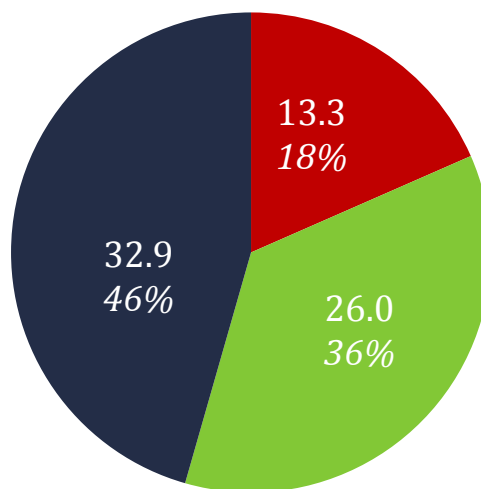
Financial Review

Historical Revenue Contribution by Segment

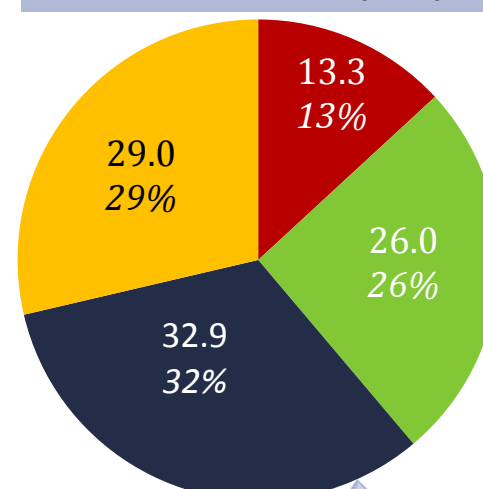
FY2010 (\$\$'M)



FY2014 (\$\$'M)



FY2014 Illustrative (\$\$'M)



- Precision Engineering
- Scaffolding Services
- System Integration / MRO & Trading
- Insulation Services

The acquisition of Multiheight Group in 2011 has effectively reduced industry-specific risk and supported the Group's consistent revenue growth.

The acquisition of Austin Energy is expected to further diversify the Group's revenue stream and stimulate revenue growth.

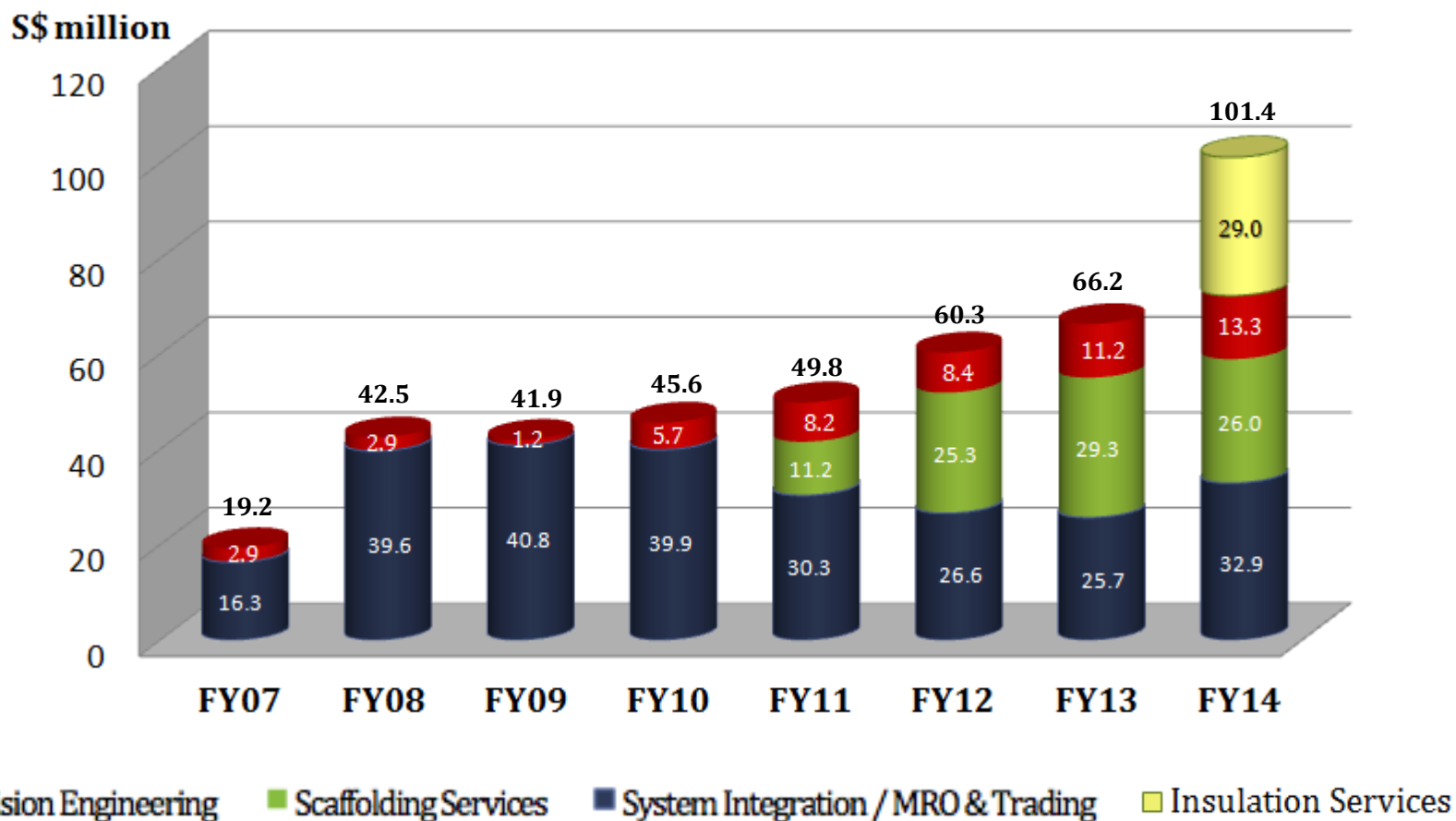
Pro Forma Analysis

Assuming the acquisition of AE had been completed on Jan 1, 2014

Financial Review

Historical Revenue by Segment – Pro Forma Analysis

FY14 revenue is for illustrative purpose, assuming the acquisition of AE had been completed on Jan 1, 2014
Revenue for FY07-FY13 are factual



Financial Review

Balance Sheet Highlights

S\$'000	Audited as at 31 December 2014	Unaudited as at 31 March 2015
Current Assets	64,607	60,419
Non-current Assets	25,903	25,391
Current Liabilities	33,909	28,610
Non-current Liabilities	3,310	2,437
Total Equity*	53,291	54,763
Cash and Cash Equivalents	32,799	27,168
Net Asset Value per share (cents)**	13.3	13.7

* Total Equity includes minority interest

** Computed based on 400,000,000 shares

Balance Sheet Highlights

	As at end of				
S\$'000	FY2011	FY2012	FY2013	FY2014	1QFY2015
Total Borrowings	34,449	26,834	21,539	25,320	20,003
Cash and Cash Equivalents	31,099	23,965	14,852	32,799	27,168
Total Equity	37,198	40,703	46,190	53,291	54,763
Net Gearing Ratio*	0.09	0.07	0.14	(0.14)**	(0.13)**

* Computed based on ratio of Total Borrowings less Cash and Cash Equivalents & Total Equity

** The Group has a net cash position of approximately **S\$7.5m** and **S\$7.2m** after deducting all debts as at 31 December 2014 and 31 March 2015 respectively

Financial Review

Key Financial Data and Ratio

	<i>Growth</i>		
	FY2012	FY2013	FY2014
Revenue (S\$m)	60.3	66.2	72.4
<i>Growth (% , yoy)</i>	18.2	9.9	9.4
Net Income (S\$m)	4.6	6.1	7.9
<i>Growth (% , yoy)</i>	157.0	33.9	28.7

	<i>Returns</i>			
	FY2012	FY2013	FY2014	Current (June 30, 2015)
Return on Common Equity (%)	11.7	14.0	15.8	16.8
<i>FTSE ST ALL-Share Index (%)</i>	12.7	10.2	9.8	8.8
Return on Capital (%)	7.9	10.0	11.4	12.2
<i>FTSE ST ALL-Share Index (%)</i>	8.1	5.9	5.6	5.7

Source : Bloomberg, July 2, 2015
Company data

Financial Review

Key Financial Data and Ratio

	FY2012	FY2013	FY2014	1QFY2015
<i>Credit</i>				
EBITDA to Interest Expense (times)	9.4	13.2	21.0	16.1
EBIT to Interest Expense (times)	6.1	9.1	15.8	11.3
<i>Liquidity</i>				
Current Ratio (x)	1.9	1.7	1.9	2.1
<i>Other</i>				
Enterprise Value (S\$m)	38.9	49.1	35.8	50.5
EBITDA (S\$m)	9.8	10.4	12.7	2.4
EV/EBITDA (times)	4.0	4.7	2.8	nm
Effective Tax Rate (%)	13.2	8.7	14.2	12.1
Dividend Payout Ratio (%)	22.0	16.4	25.5	nm

Source : Bloomberg, July 2, 2015

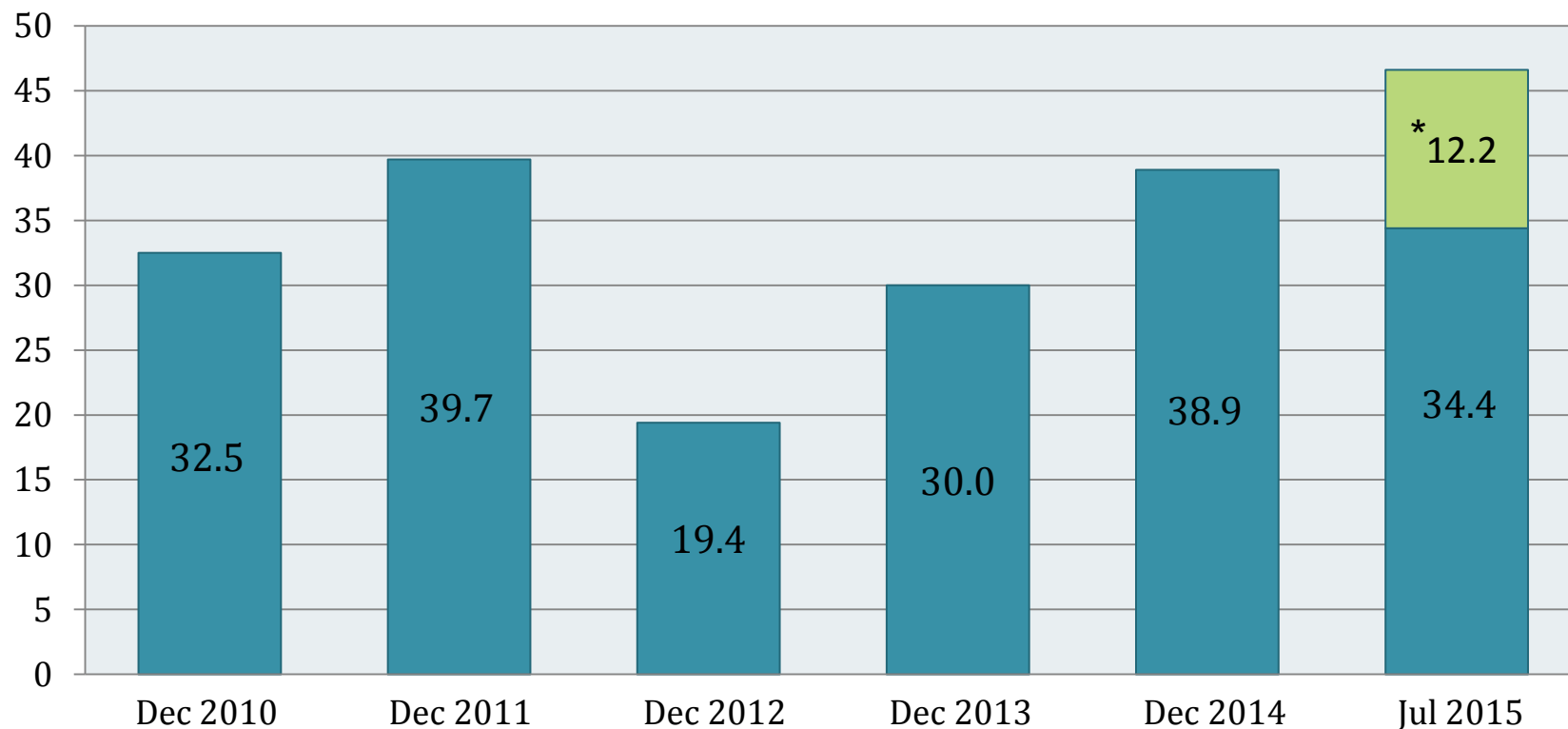
Company data

Note: “nm” – not meaningful

Financial Review

Historical Order Book

S\$ million



* Order book for AE Group

Notes:

The historical order book does not include maintenance contracts from Scaffolding Services and AE Insulation segments which are typically contracted over a 2-year period at unit rates and therefore do not have a contract value upfront.



- 1. Corporate Profile**
- 2. Business Overview**
- 3. Financial Review**
- 4. Growth Strategy & Summary**

Growth Strategy – Organic

System Integration and MRO & Trading

- Continue to develop new products and systems to meet market demand for innovative products
- Further enhance its market leadership position

Precision Engineering

- Expand into contract manufacturing, assembly and other value added services
- Form strategic alliances and partnerships to expand capabilities and further grow the assembly business

Scaffolding Services

- Cope with market uncertainties and ensure stable revenue stream from recurring maintenance jobs and new projects
- Deal with capacity limitations brought by manpower constraints, enhance productivity

Insulation Services (after AE acquisition)

- Ensure smooth transition and integration
- Play out the synergistic value between Austin Energy and Multiheight



Growth Strategy – M&A

Continue to acquire successful businesses when opportunities arise, with a focus on the business that is

- Relevant to us and within our footprint
- Offers the potential to broaden our product and service range in Marine, Oil & Gas, Petrochemical and Pharmaceutical sectors
- Offers the potential to create synergy with our existing businesses and stimulate future revenue and profit growth



Highlight of Investment Merits

Established Market Player

Strong track record, performing above industry average

Improved Earnings Quality

Volatile project earnings now supplemented by more stable recurring maintenance income from Scaffolding Services and newly acquired Insulation Services

Improved Dividend Payout

- 0.25 cents ordinary dividend and 0.25 cents special dividend per share declared for FY14
- Half-yearly dividend payout for FY15 onwards
- 40% dividend payout policy

Healthy Order Book

Order book of S\$46.6 million on hand, excluding MHS and AE unit rate maintenance contracts

Established Management & Good Growth Potential

Management with keen foresight and proven track record of:

- Leading the Group to achieve consistent performance despite market volatilities
- Making successful acquisition of MHS and smooth integration
- Successful acquisition of AE that will enhance Group earnings



Thank You

For more information, please contact:

Financial PR Pte Ltd

Investor Relations Consultants

Romil Singh / Reyna Mei

romil@financialpr.com.sg

reyna@financialpr.com.sg

Tel: (65) 6438 2990

Fax: (65) 6438 0064