

NORDIC GROUP LIMITED

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PRESS RELEASE

Nordic kicks off FY2015 with a 61% increase in 1Q net profits to \$1.45 million

- *1Q2015 revenue rises 15% to \$16.6 million, indicating better margins*
- *All three business segments – System Integration, MRO & Trading and Precision Engineering – continue to perform well*
- *Group maintains a healthy cash position of \$27.2 million as at end of 1Q2015*
- *It has outstanding orders amounting to \$40.8 million which will sustain revenue and earnings up to FY2017*

For the period ended 31 March 2015

S\$' million	1Q2015	1Q2014	Change (%) ¹
Revenue	16.6	14.4	15
Gross Profit	5.3	4.8	11
Gross Profit Margin (%)	32.0	33.2	(1.2) points
Profit attributable to equity holders	1.5	0.9	61
EPS (Cents) ²	0.4	0.2	100

1. Any discrepancies in the percentages are due to rounding

2. EPS is based on 400,000,000 weighted average number of ordinary shares

SINGAPORE – 14 May 2015 – Nordic Group Limited (挪迪克集团有限公司), a Singapore-based supplier of automation system integration solutions, vessel maintenance, repair and overhaul (MRO), precision engineering and scaffolding services serving mainly the marine, offshore oil and gas and petrochemical industries, has achieved strong revenue and earnings growth for the first quarter of its financial year (“**FY2015**”) which is expected to be sustained over the next 24 months due to a buoyant order book.

For the first quarter ended 31 March 2015 (“**1Q2015**”), net profit rose 61% to \$1.45 million on the back of a 15% increase in revenue to \$16.6 million.

During the quarter under review, the Group’s three business segments - **System Integration, Precision Engineering and MRO & Trading** – all raked up higher revenue which partially offset lower revenue from its **Scaffolding Services** business segment due to lesser projects carried out for 1Q2015 in comparison to the previous corresponding period (“**1Q2014**”).

The Group’s System Integration and MRO & Trading business segments performed significantly better with revenue rising 48.0% to \$7.5 million and 187.4% to \$1.6 million respectively while its Precision Engineering business segment registered a 13.6% increase in revenue to \$2.8 million. Revenue from Scaffolding Services business segment, however, slipped 25.4% to \$4.7 million from \$6.3 million in the previous corresponding period.

Overall, Nordic posted gross profit of \$5.3 million which was 11% higher than 1Q2014, this however translated into a marginally lower gross profit margin of 32.0% compared with 33.2% previously mainly due to lower gross profit margin for the Scaffolding Services business segment in 1Q2015.

As a result of its robust performance, the Group’s Earnings Per Share, on a fully diluted basis, increased to 0.4 Singapore cents in 1Q2015 from 0.2 Singapore cents 1Q2014, and its Net Asset Value per share remained at a stable 13.7 Singapore cents as at 31 March 2015 compared to 13.3 Singapore cents as at 31 December 2014.

The Group ended the first quarter with a strong balance sheet – with cash and cash equivalent amounting to \$27.2 million as at 31 March 2015.

Outlook

Going forward, the Group is positive about its long term prospects in the marine, offshore oil and gas and petrochemical industries.

Said Mr Chang Yeh Hong (张业宏), Chairman of Nordic Group, “We had a good start to FY2015 with all of our business segments performing well as reflected in our results. Moving ahead, we remain positive over the long term prospects in the marine, offshore oil and gas and petrochemical industries. This is also reflected in our healthy order book, with outstanding orders amounting to approximately \$40.8 million, slated for delivery in the next 24 months, generating a steady stream of revenue contribution up to FY2017.”

The Group's System Integration and MRO Trading business segments maintain a steady order book whilst continuing its sales and marketing efforts for the expanded product and service offerings launched in FY2014.

"As the marine and offshore oil and gas industries continue to present uncertainties, these two business segments will need to actively develop new markets and establish a track record for our new service and product offerings in order to introduce new revenue streams," notes Mr Chang.

Meanwhile, its Precision Engineering business segment is continuing its efforts to identify strategic partnerships with businesses offering complimentary service and product offerings to this business segment, which is in line with the Company's mid-term strategic growth plan.

For the Scaffolding Services business segment, it has secured several projects for the Chevron and ExxonMobil plants which are scheduled to run till 1Q2017.

"These projects," says Mr Chang, "together with recurring maintenance revenue, will continue to generate stable income for the Group in the next 12 months and beyond."

Nordic is also seeking shareholders' approval at an extraordinary general meeting (EGM) on 27 May 2015 for the acquisition of Austin Energy (Asia) Pte Ltd, which if approved, would be completed in June 2015.

"This synergistic partnership of our Scaffolding Services segment with the new Insulation Services segment will give the Group leverage to maintain our position as market leaders in the respective fields through this value adding proposition which will deliver a more holistic suite of product and services. In addition, it will give us a leading edge in our pursuit to clinch more projects and new customer accounts," says Mr Chang.

Issued for and on behalf of Nordic Group Limited:

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About Nordic Group Limited

Established in 1998, Nordic is an automation systems integration solutions provider serving mainly the marine and offshore oil and gas industries. Headquartered in Singapore, Nordic currently has two production facilities located in Suzhou, the People's Republic of China ("PRC"), Nordic has a sales and marketing network that covers Singapore and various locations in the PRC, which allows the Group to be in close proximity to its customers.

Designed to meet the demands of vessel automation, the Group's **Systems Integration** division offers integrated control and management systems for newly built ships as well as for 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, repaired and overhauled.

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

Multiheight Scaffolding Pte Ltd and its subsidiaries (Multiheight Group) fronts the Group's **Scaffolding Services business**, and 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.