



**Building Momentum,
Capturing Opportunities**

Nordic Group Limited

Results Briefing

FY2014

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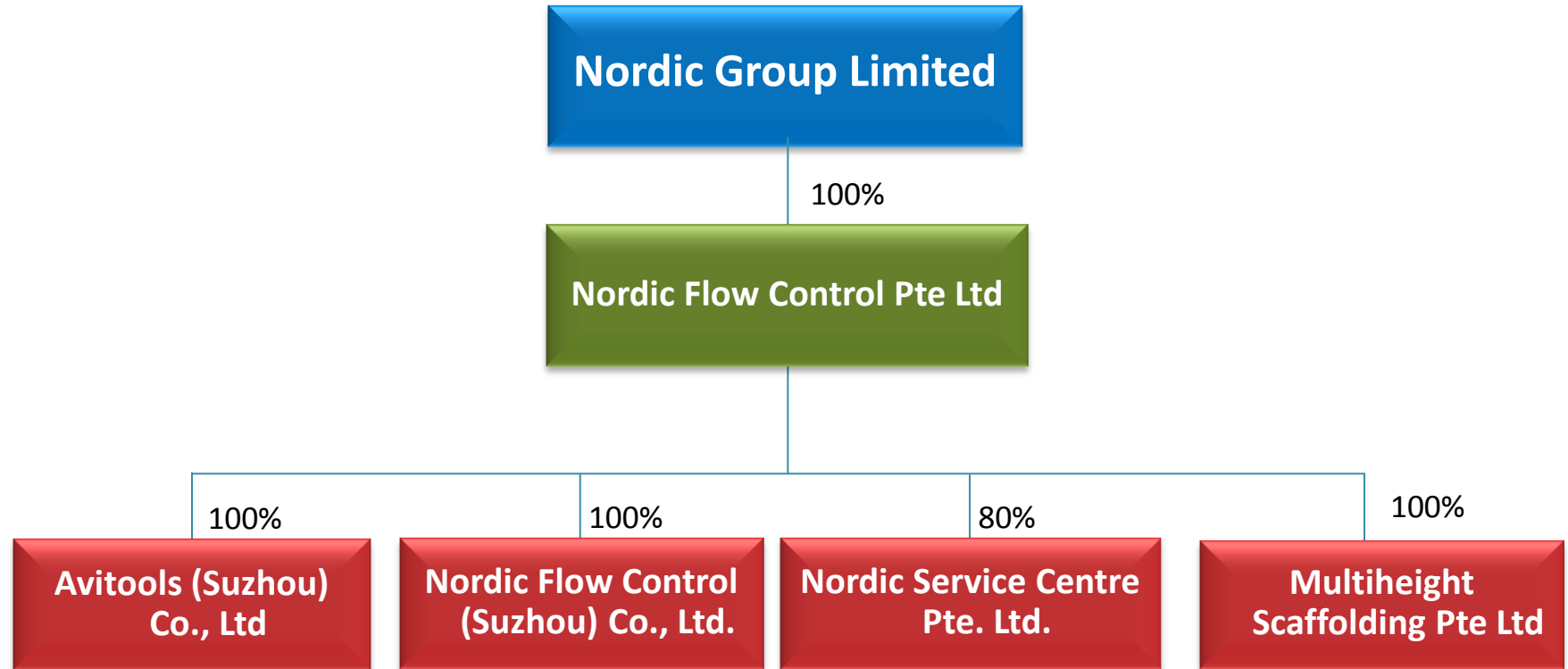


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Corporate Profile



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



Catherine Thung Sim Yee
Group Financial Controller



Rodney Koh Wei Ming
CEO, Avitools Suzhou



Robin Yip Kin Hoong
COO, Multiheight



Samantha Lim Bee Hong
Group Head of
Business Excellence, China
& General Manager,
Nordic Suzhou



Chou Chee Fatt
General Manager,
Technical Support



Jeanette Lee Mei Hue
General Manager,
Sales

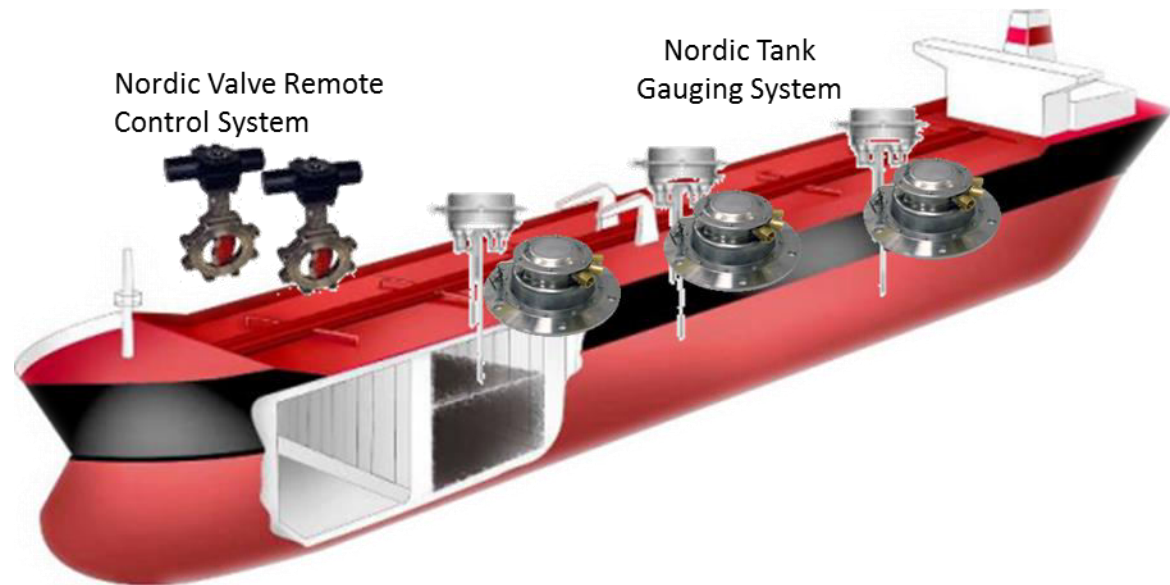


Foo Chee Tsuan
General Manager,
Power & Automation

Year 1998

Incorporation of Nordic Flow Control Pte Ltd

Headcount : 71



Year 2004

Acquired Avitools business and incorporated Avitools Suzhou

Factory Space: 48,000 sq ft

Headcount : 139



Year 2009

Incorporated Nordic Suzhou

Factory Space: 44,000 sq ft

Headcount : 72



Year 2010

Listed on the Mainboard of SGX-ST



Year 2011

Acquired Multiheight Group

Factory Spare: 33,000 sq ft (*at multiple sites*)

Headcount : 596

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

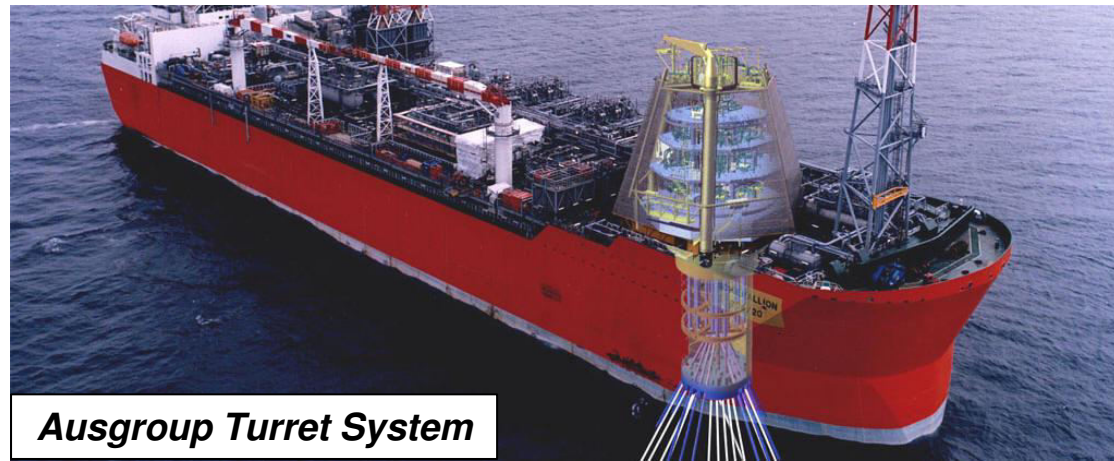
Established Nordic Service Centre as part of MRO business



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

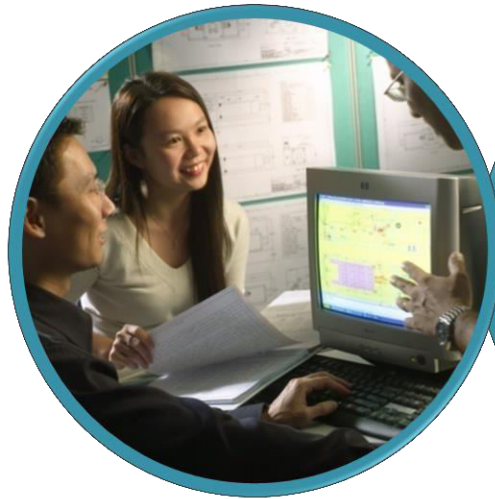


Intelligent Transmitter

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

Business Overview

OUR BUSINESS



**System
Integration**



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



**Precision
Engineering**



**Scaffolding
Services**

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

Optimises control of the ship's machinery

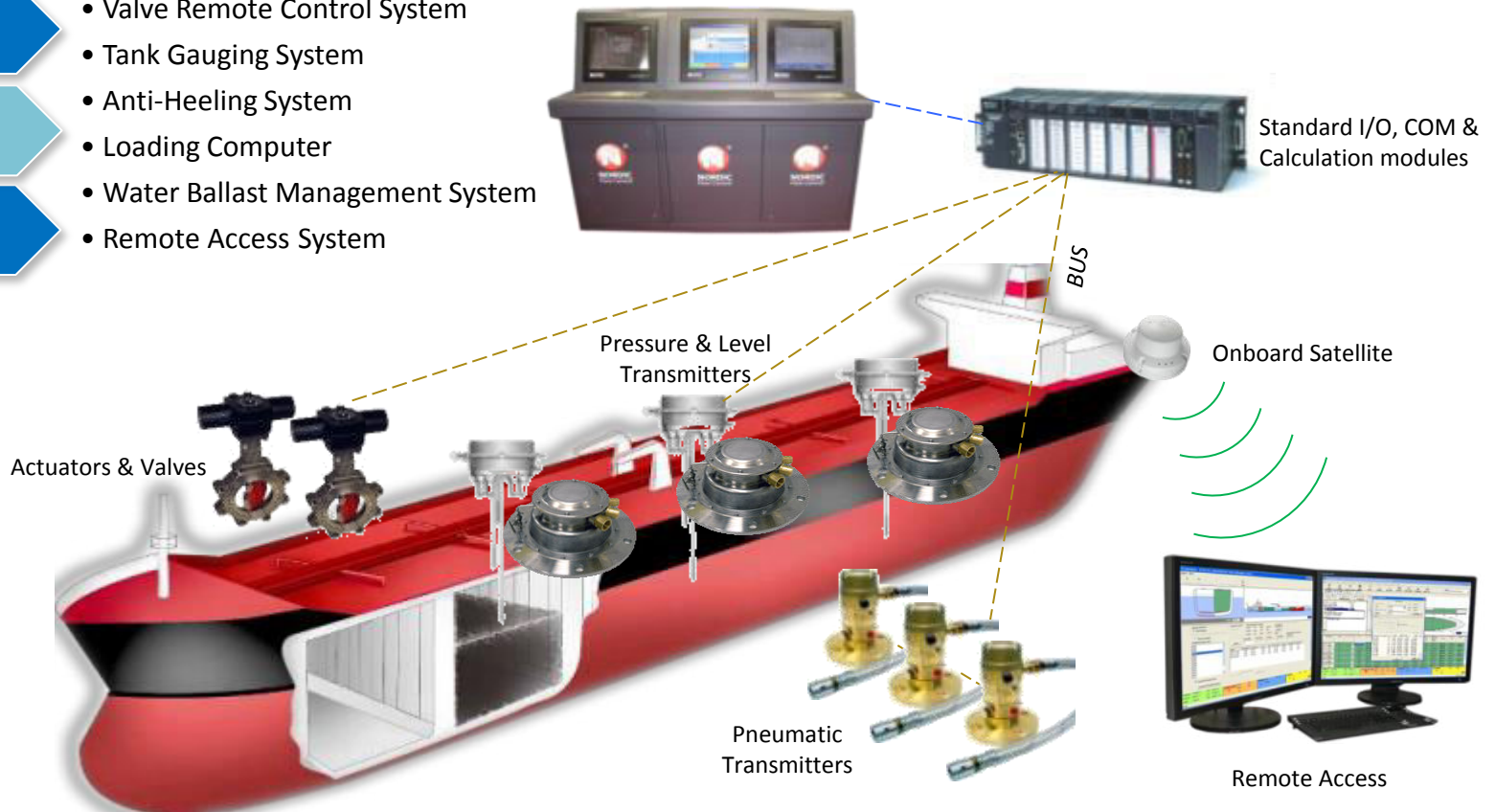
Reduces operator's workload

Increases vessel motion efficiency

Improves safety level of operations

Ship Automation System

- Valve Remote Control System
- Tank Gauging System
- Anti-Heeling System
- Loading Computer
- Water Ballast Management System
- Remote Access System



Diversity of 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

System Integration Clients

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



PPL Shipyard Pte Ltd



MRO and Trading

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 highly skilled expertise is required

MRO and Trading Clients



BUMIARMADA



PETRONAS



Petrofac



DIAMOND
OFFSHORE



Saipem



Prosafe

BERNHARD SCHULTE
SHIPMANAGEMENT



Teras Offshore

A subsidiary of Ezion Holdings Limited



V.Ships

Global Network



Nordic Factory



Sales & Service Office

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.

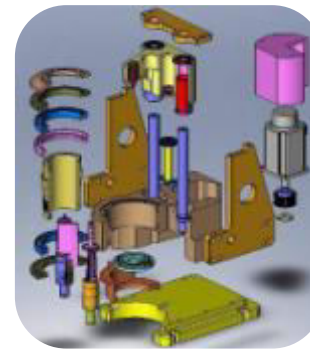
Manufacturing of components for:



Aerospace Industry



Medical Industry



Customised CNC Machine



Oil & Gas Industry



EMS Industry

Precision Engineering Clients



GE Oil & Gas

ASM



Assembly Systems

ThermoFisher
SCIENTIFIC



 **Speedline**
technologies

 **PANalytical**



Scaffolding Services



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

- Design, Erection, Modification & Dismantling of Scaffold & System.
- Rental of Scaffold System, Components & Parts.

Quality Standing

- Ministry Of Manpower (MOM) approved scaffold contractor.
- MOM Safety Performance Award for 9 years from 2001 to 2013
- 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:-
 - ✓ OHSAS18001 : 2007
 - ✓ SS506:Part1 : 2009

Scaffolding Services Clients

ExxonMobil



Oronite



Oiltanking



Sankyū
Singapore



Keppel Shipyard

Keppel Singmarine



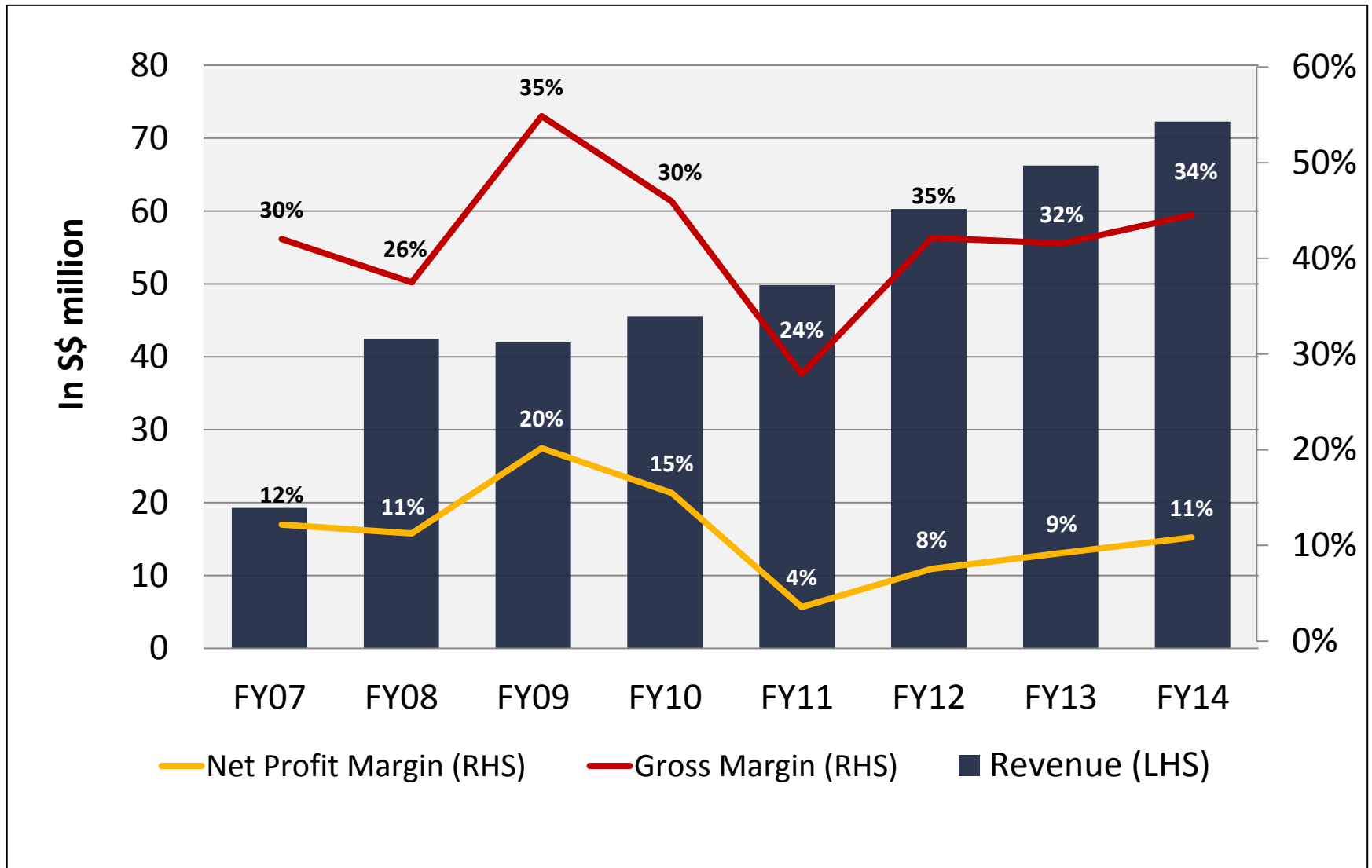
Financial Highlights

Financial Highlights

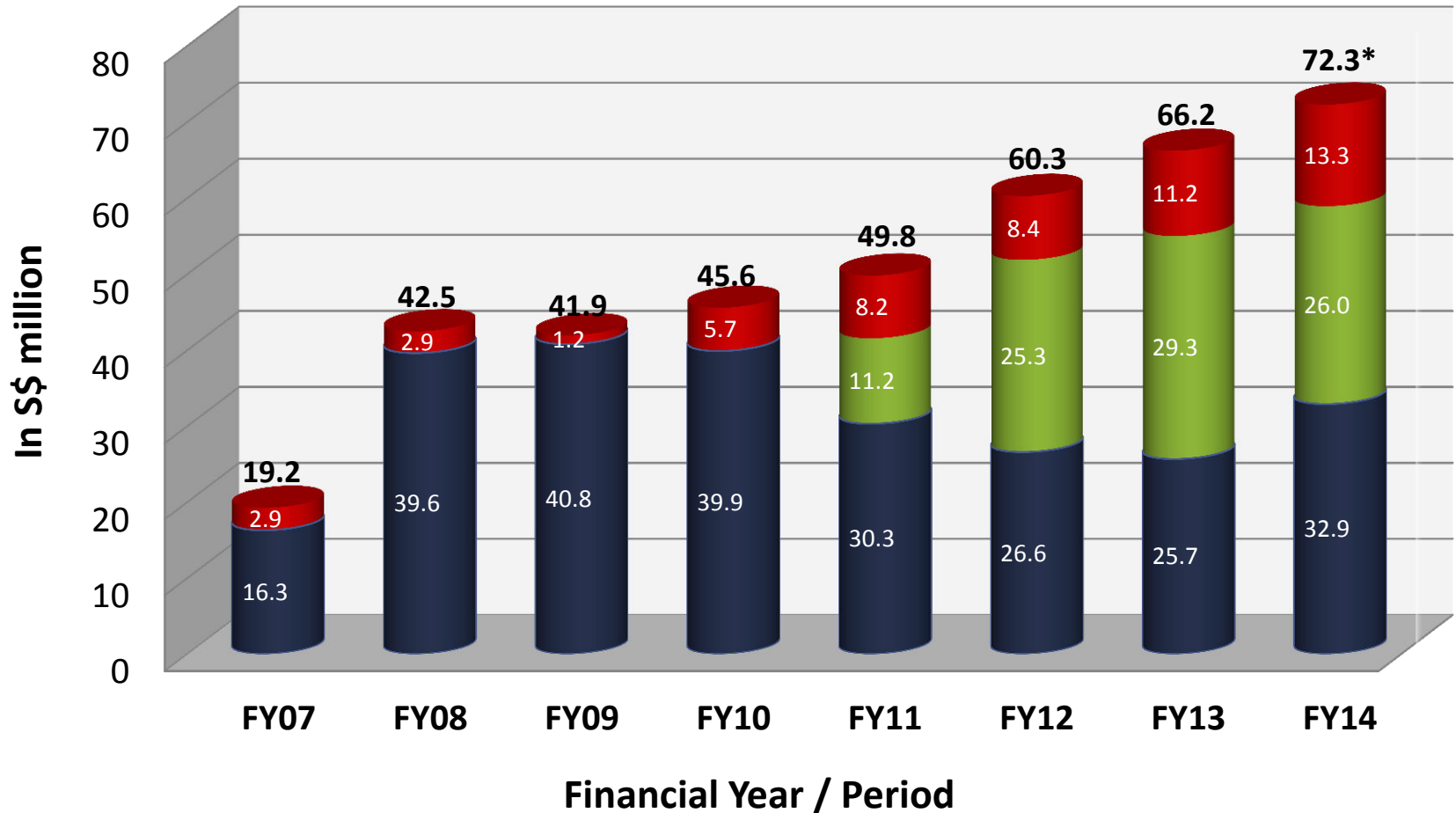
S\$'000	Unaudited 4Q2014	Unaudited 4Q2013	Change (%)	Unaudited FY2014	Audited FY2013	Change (%)
Revenue	20,559	19,758	4	72,424	66,220	9
Gross Profit	6,967	7,070	(1)	24,410	21,417	14
<i>Gross Profit Margin (%)</i>	33.9%	35.8%	(5)	33.7%	32.3%	4
Profit Before Tax	3,093	3,014	3	9,169	6,686	37
Profit After Tax	2,532	2,769	(9)	7,866	6,102	29
<i>Net Profit Margin (%)</i>	12.3%	14.0%	(12)	10.9%	9.2%	18
EBITDA	3,927	4,039	(3)	12,705	10,880	17
EPS (cents)*	0.633	0.692	(9)	1.964	1.526	29

* Computed based on 400,000,000 shares.

Financial Highlights



Revenue by Segment

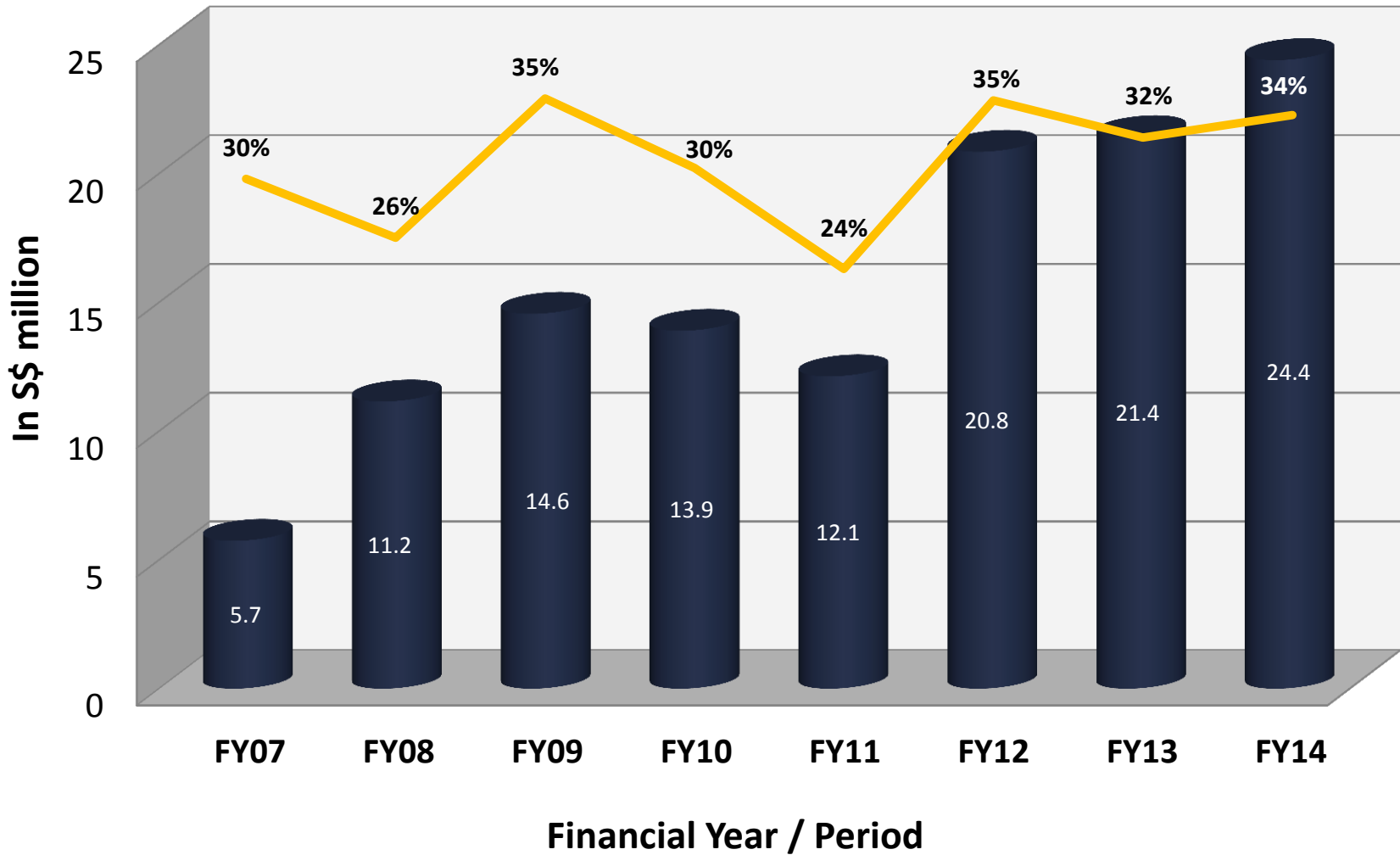


■ System Integration / MRO & Trading ■ Scaffolding Services

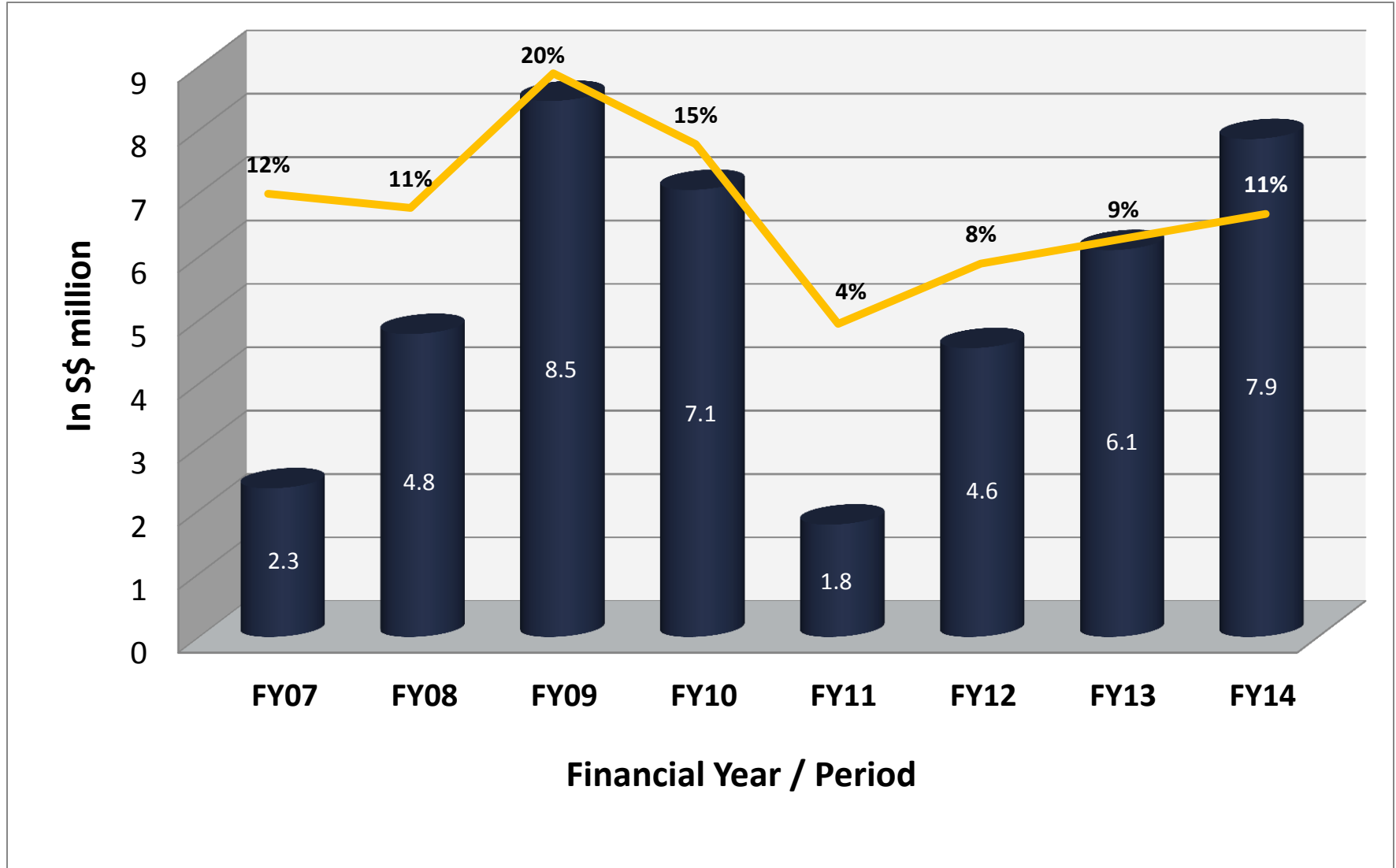
■ Precision Engineering

* Excludes unallocated revenue item amounting to \$150k

Gross Profit



Net Profit and Net Profit Margins



Balance Sheet Highlights

S\$'000	Audited as at 31 December 2013	Unaudited as at 31 December 2014
Current Assets	51,711	64,607
Non-current Assets	26,895	25,903
Current Liabilities	29,941	33,759
Non-current Liabilities	2,475	3,460
Total Equity	46,190	53,291
Cash and Cash Equivalents	14,852	32,799
Net Asset Value per share (cents)*	11.5	13.3

* Computed based on 400,000,000 shares.

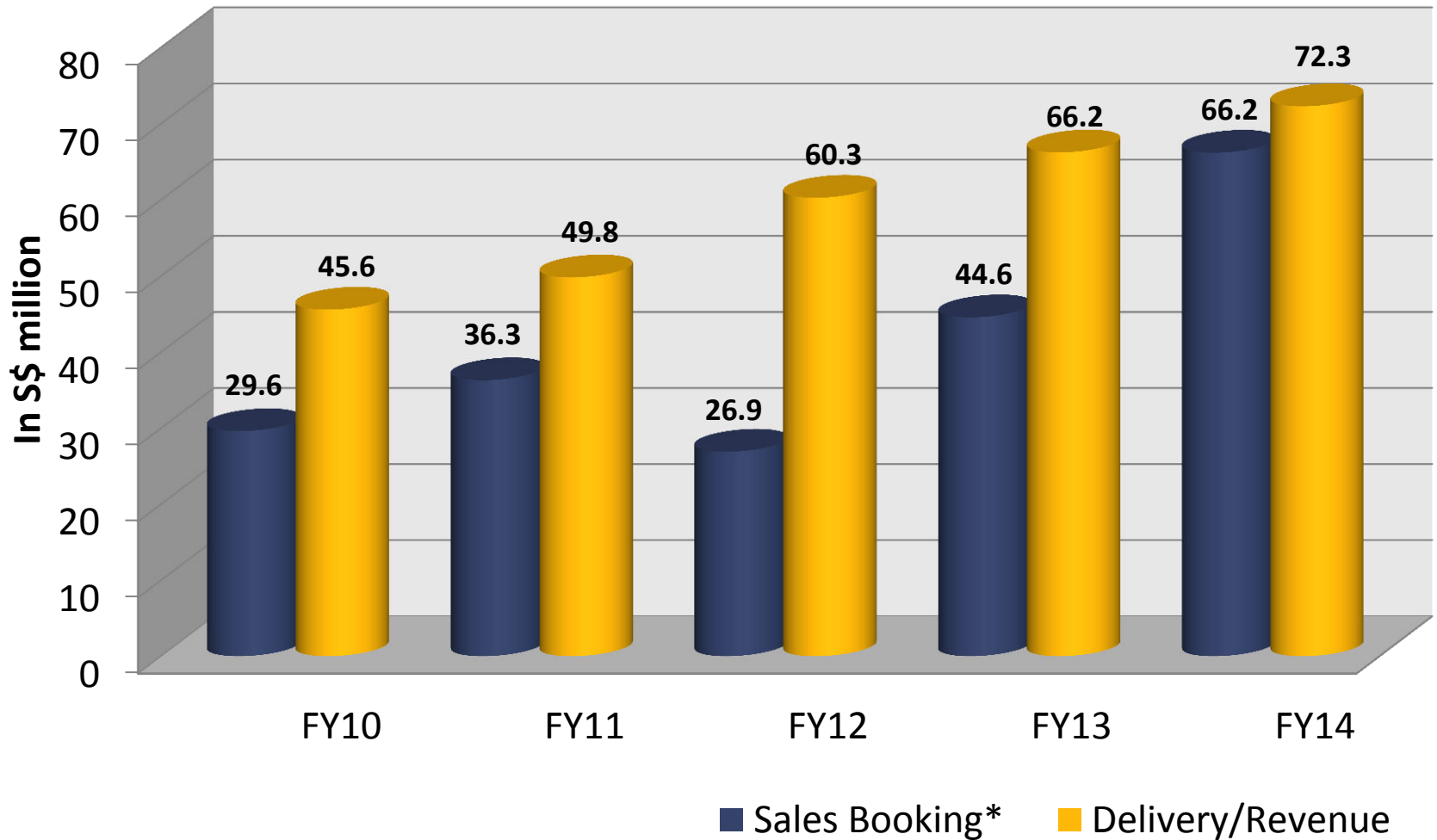
Borrowings, Gearing and EBITDA

S\$'000	FY2011	FY2012	FY2013	Unaudited FY2014
Total borrowings	34,449	26,834	21,539	25,320
Cash and Cash Equivalents	31,099	23,965	14,852	32,799
Total Equity	37,198	40,703	46,190	53,291
EBITDA	4,629	9,752	10,435	12,705
Net Gearing Ratio*	0.09	0.07	0.14	(0.14)**

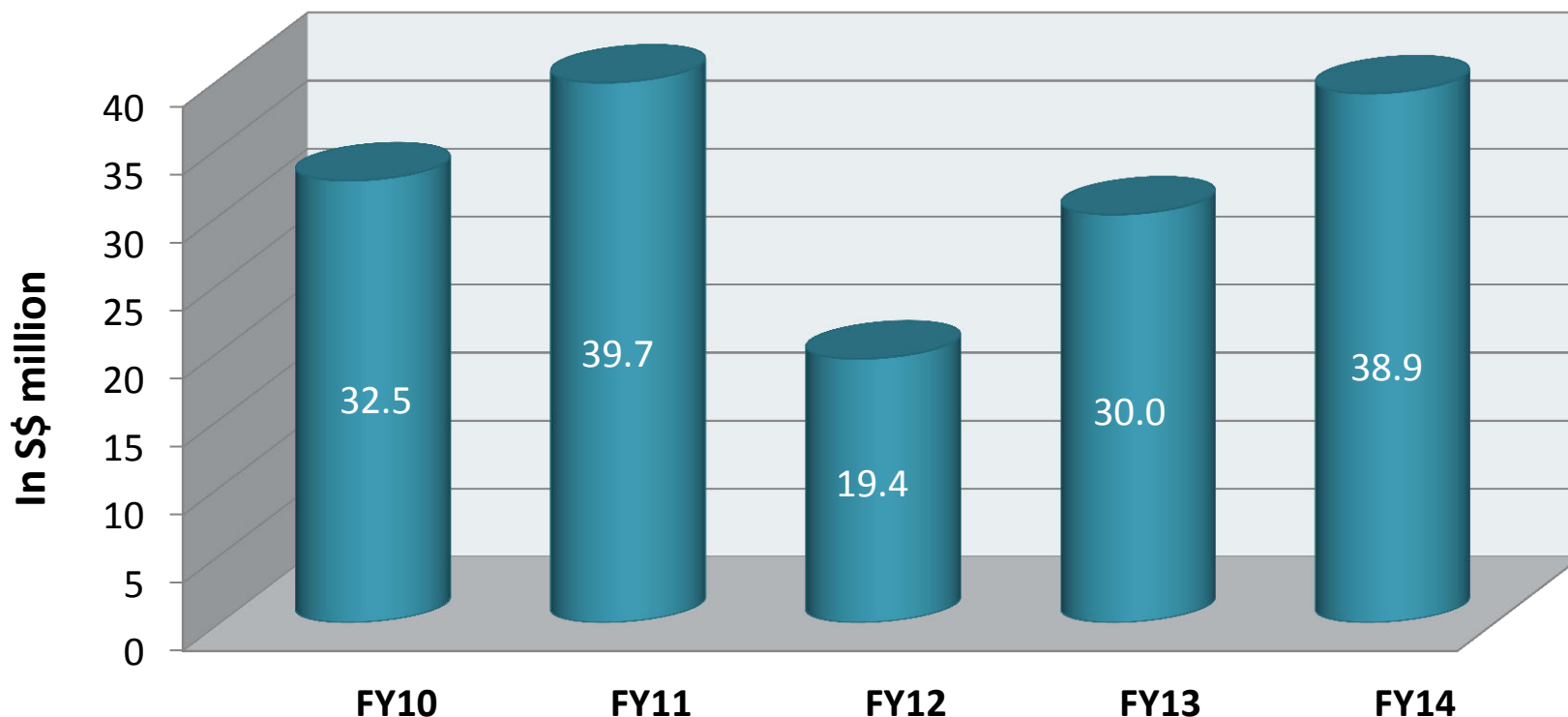
* Computed based on ratio of Total borrowings less Cash and Cash Equivalents & Total Equity

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

Sales Booking and Revenue



* Excludes MHS maintenance unit rate contracts

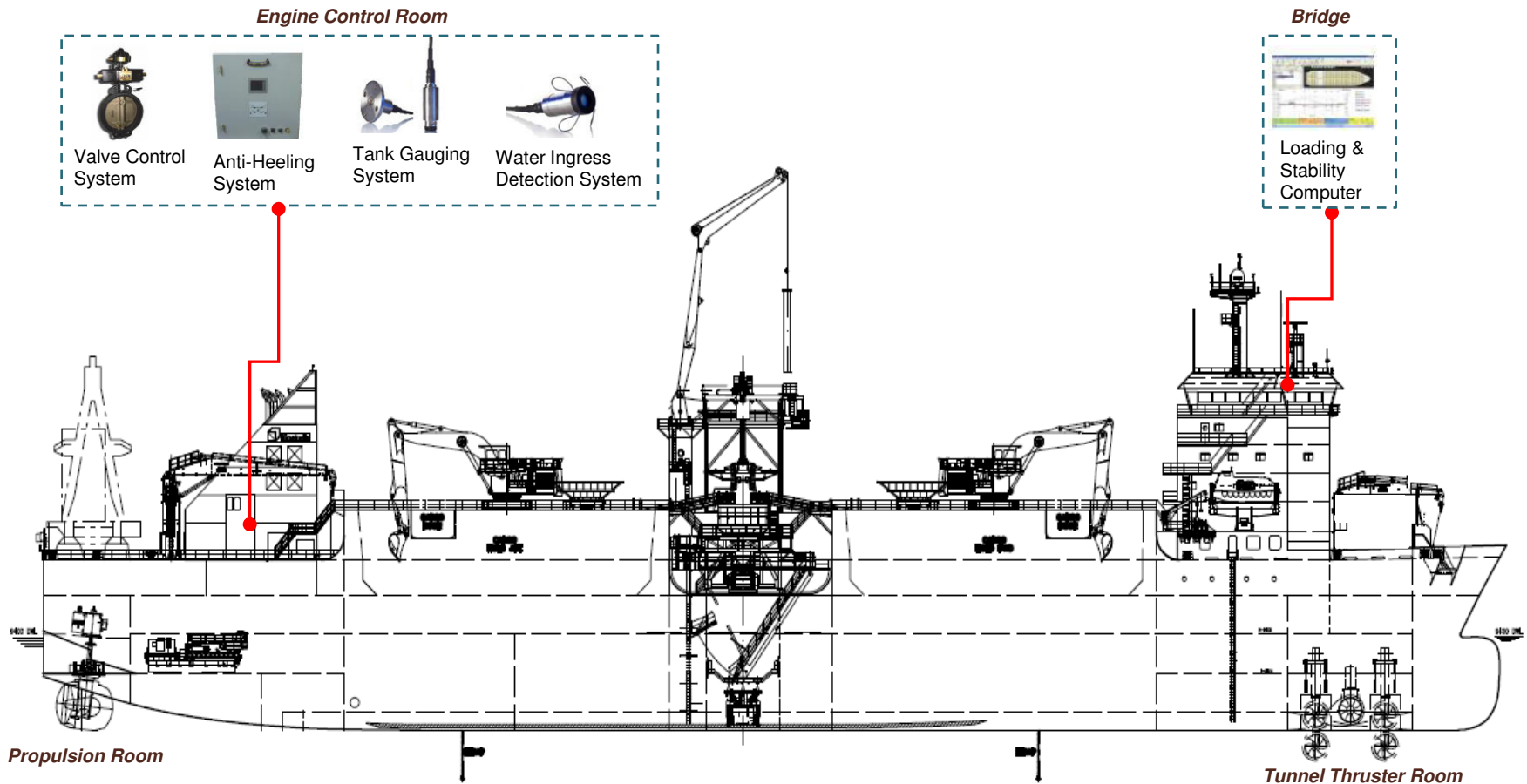


As at 27 February 2015, the Group's total outstanding order book stands at approximately S\$38.9 million for progressive delivery through to FY2017. This excludes Scaffolding Services business segment's maintenance contracts typically contracted over a 2-year period at unit rates and therefore do not have a contract value upfront.

Business Updates

Existing Product Offering

Nordic Flagship system, which have been supplied to more than 1,200 vessels.
For a Rock Dumping Vessel project, the cost is about SGD\$200,000.



Expanded Product Offering

Integrated Nordic Flagship system with NEW Integrated Solutions,
For a Rock Dumping Vessel project, the cost is about SGD\$2,000,000.

Engine Control Room

- Valve Control System
- Anti-Heeling System
- Tank Gauging System
- Water Ingress Detection System
- Engine Control Room Console
- Cargo Control & Monitoring System
- Fire Alarm System
- Fuel Oil Transfer System
- Auto Ballast System
- Ballast Control System

Bridge

- Loading & Stability Computer
- FWD Control Console
- AFT Control Console
- Navigational Light Control System
- Hydro Acoustic Position Reference System
- Wiper Control System
- BNWAS Watch Alarm System
- Econometer System
- Heading Control System
- Propulsion Control System

Dynamic Positioning System

Main Switchboard Room

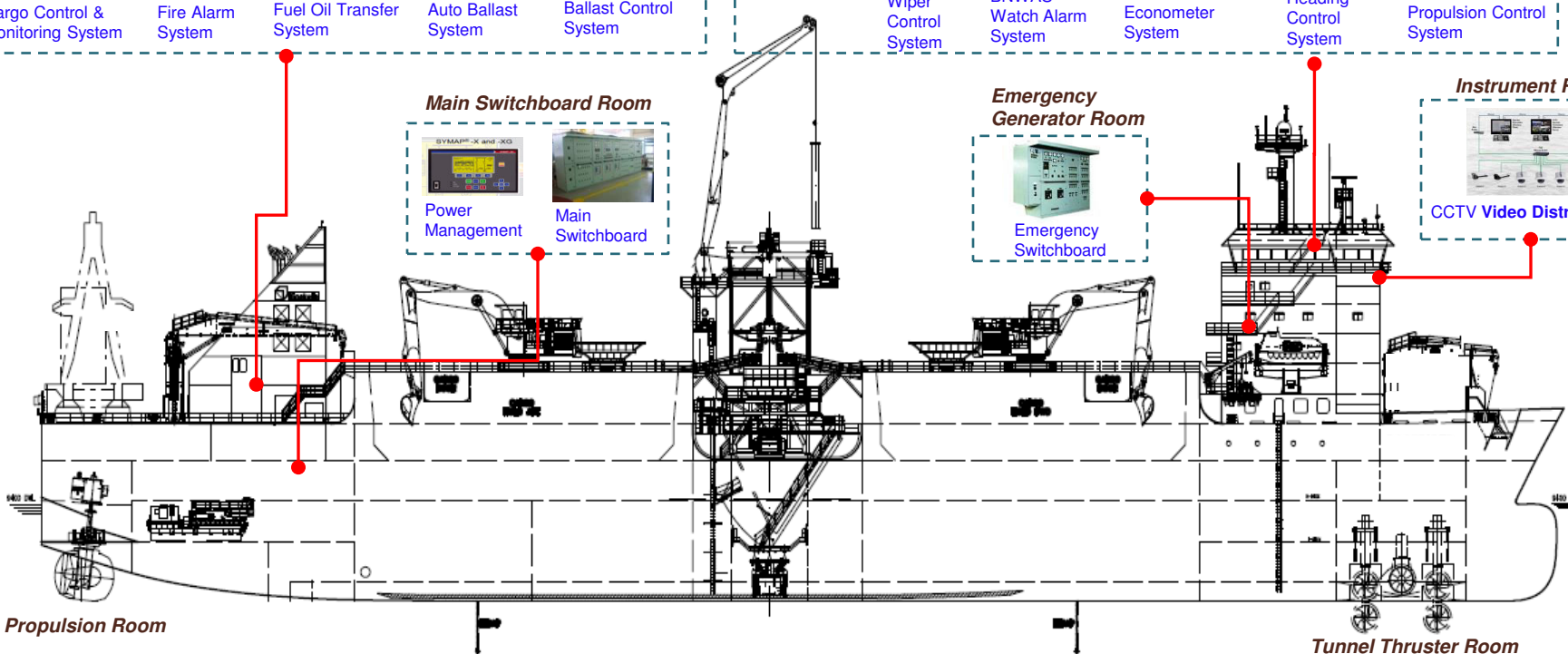
- Power Management
- Main Switchboard

Emergency Generator Room

- Emergency Switchboard

Instrument Room

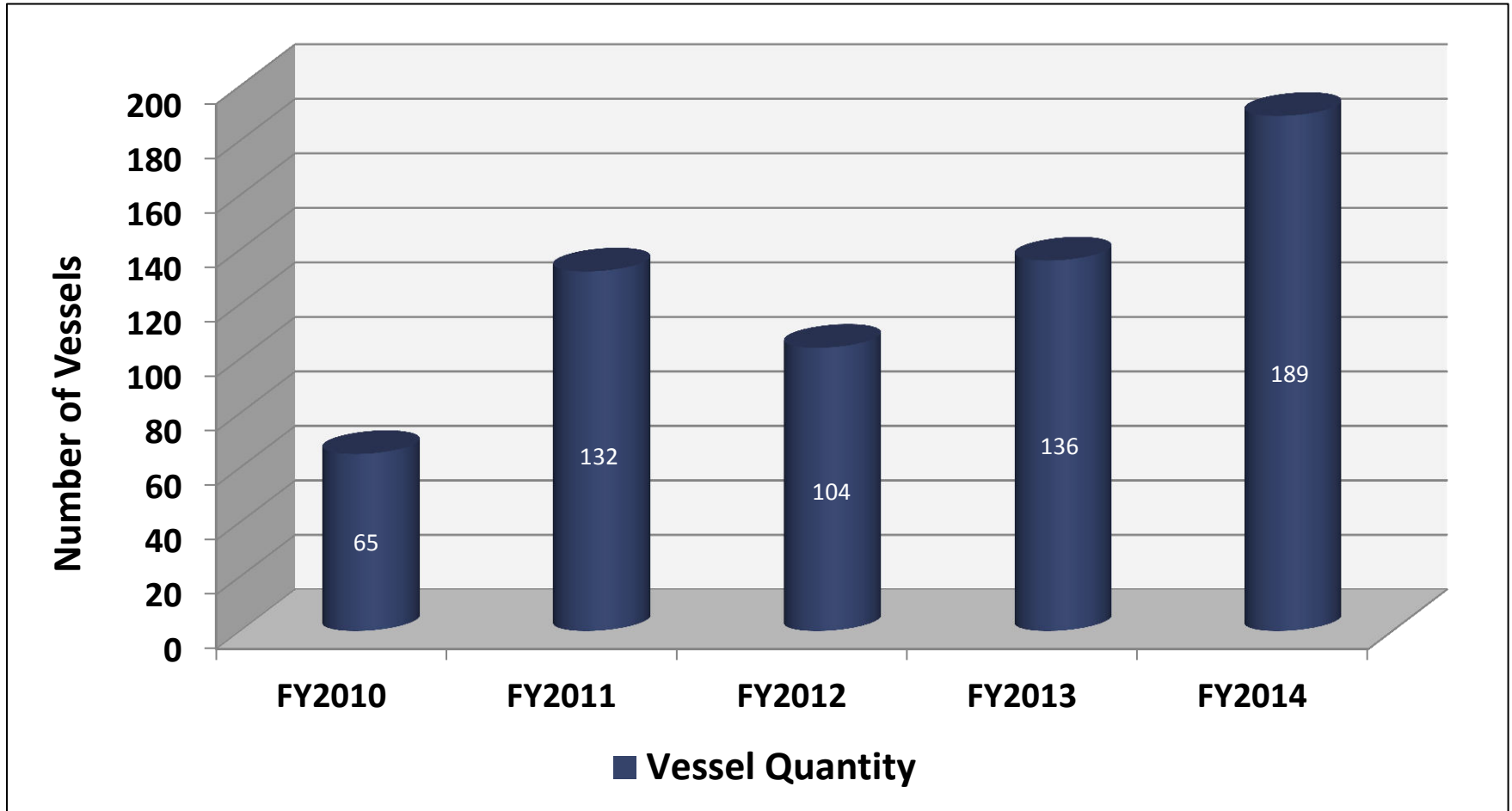
- CCTV Video Distribution



Propulsion Room

Tunnel Thruster Room

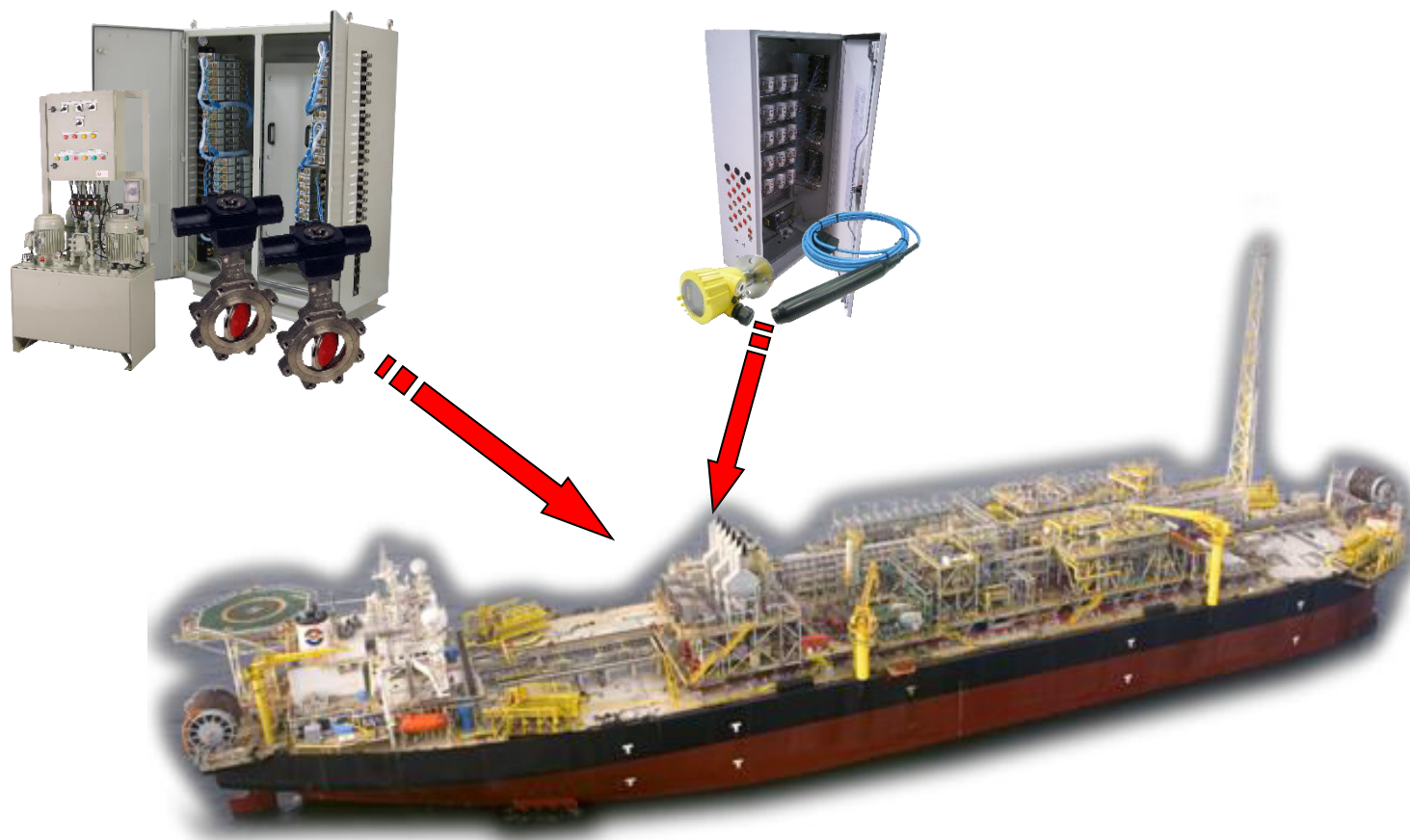
Number of Vessels Booked



Existing Conversion Project

Nordic Flagship system, Valve Remote Control and Tank Gauging System supplied to a Offshore Conversion project,

Estimated contract amount about SGD\$700,000.



Expanded Conversion Project

Nordic Flagship system, Valve Remote Control and Tank Gauging System supplied with expanded services.

Estimated contract amount about SGD\$2,500,000.

Expanded Services:

Refurbish and overhaul of existing valves, actuators and parts

On-site surveys, in-house servicing, repairs and testing

Redesign and reworks on existing control systems

Reprogramming and system upgrading of control stations

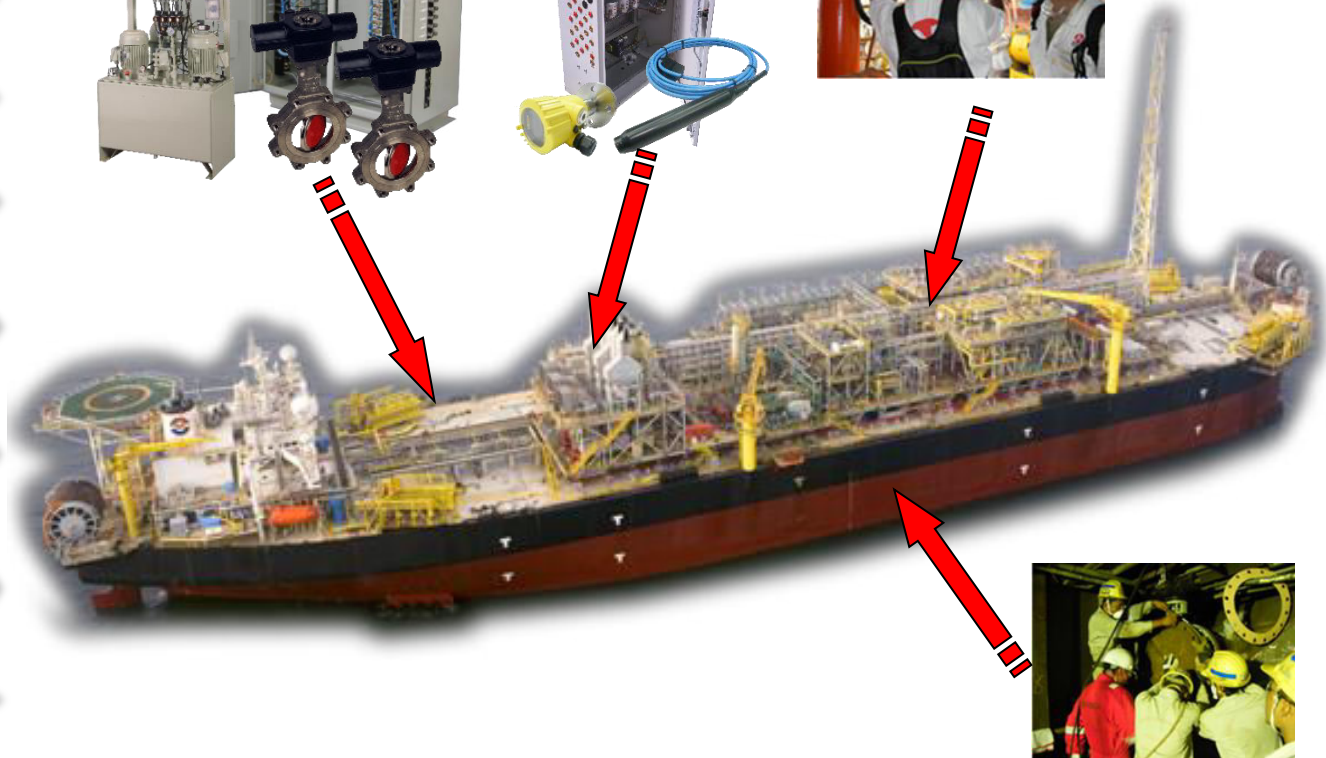
Project management, procurement, installation and commissioning of systems

Software and SCADA design and upgrading works

Modification, calibration and upgrading services for Tank Gauging Systems

Maintenance service packages

In Q4 FY2014, Nordic secured a conversion project from repeat customer Bumi Armada worth over US\$2 million.



Precision Engineering

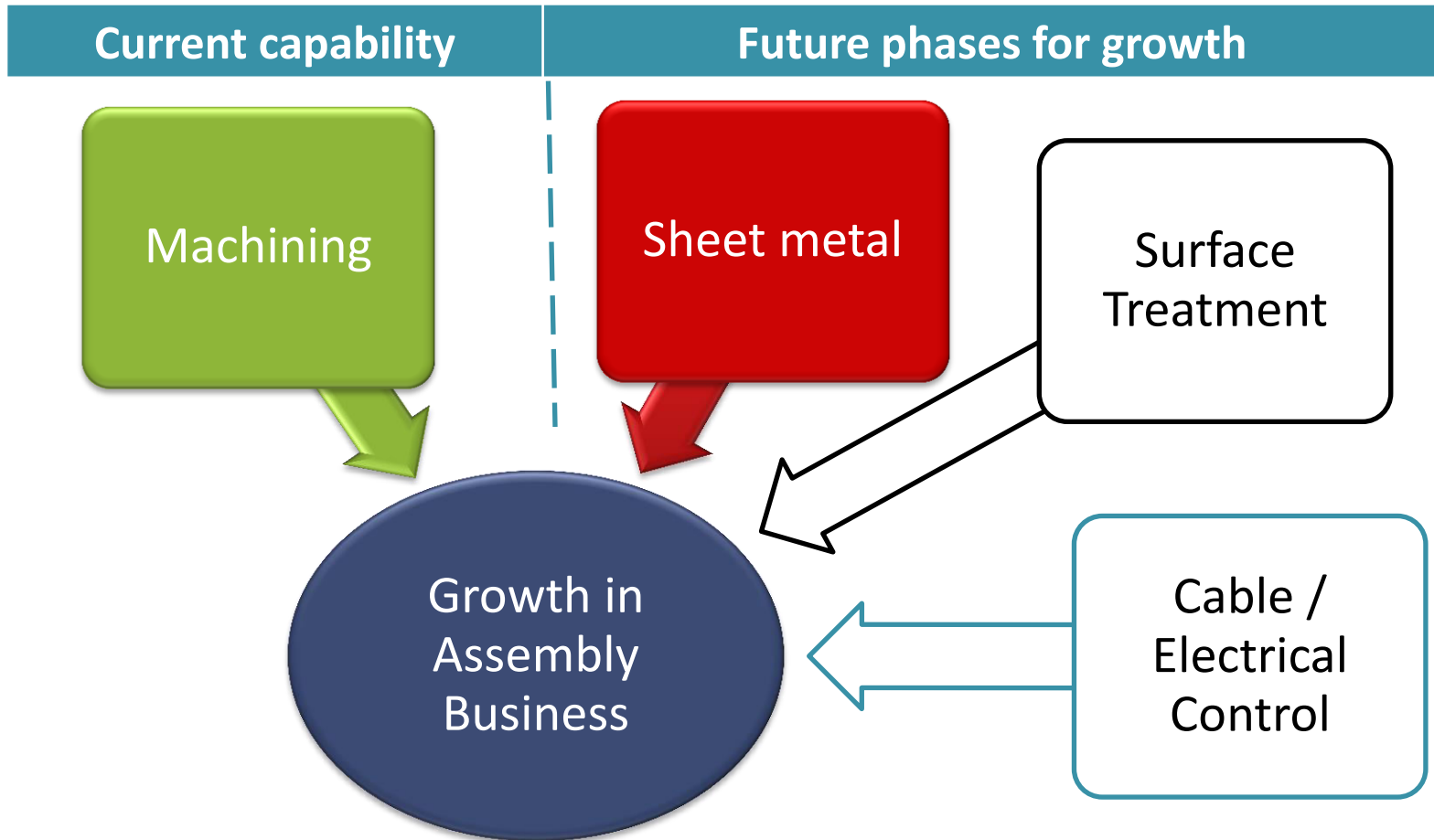
Existing Customer		New Customer	
• GE Oil & Gas	USA	• National Machinery	USA
• SAM Singapore Aerospace Manufacturing	Singapore	• Brueckner	Germany
• Primus International PCC Aerostructure	USA	• Kronos	Germany
• PANalytical	Netherlands	• ICON Aircraft	USA
• Thermofisher	USA	• Samsung Technwin	Korea
• HBM Hottinger Baldwin	Germany	• Jabil	USA
• ITW (Illinois Tool Works)	USA	• Spacelabs	USA
• ASM Assembly System	Singapore	• Rockwell Collins	USA

Growth strategies include:

1. To expand into contract manufacturing, assembly and other value added services
2. Formation of strategic alliances and partnerships to expand capabilities for further growth of the assembly business

Precision Engineering

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



Scaffolding Services

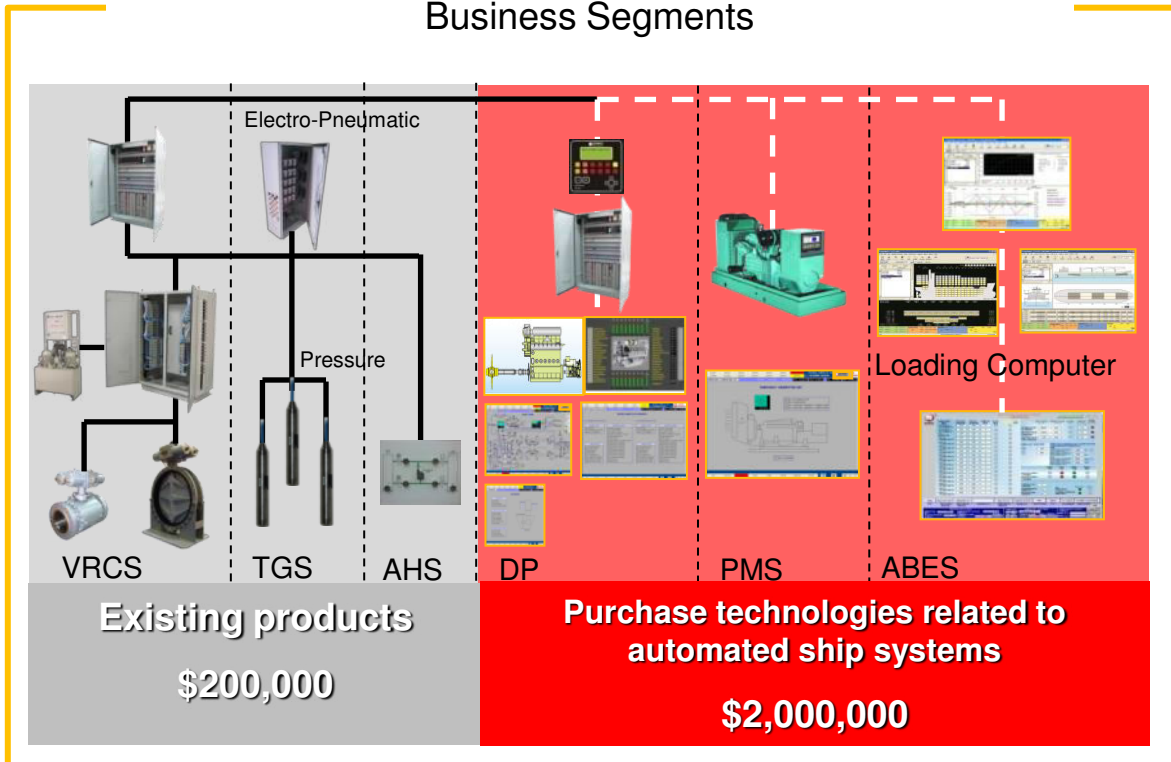
Daily Plant Maintenance	Project	Turnaround / Shutdown Maintenance *
<ul style="list-style-type: none"> • BASF Southeast Asia Pte Ltd • Invista Fibres • Stolthaven Terminal • Kuraray Asia Pacific • Chemical Industry Far East Limited • FACI Asia Pacific Pte Ltd • Keppel Shipyard Limited • Tuas Power • 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 • Exxon Mobil • Kuraray Asia Pacific

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

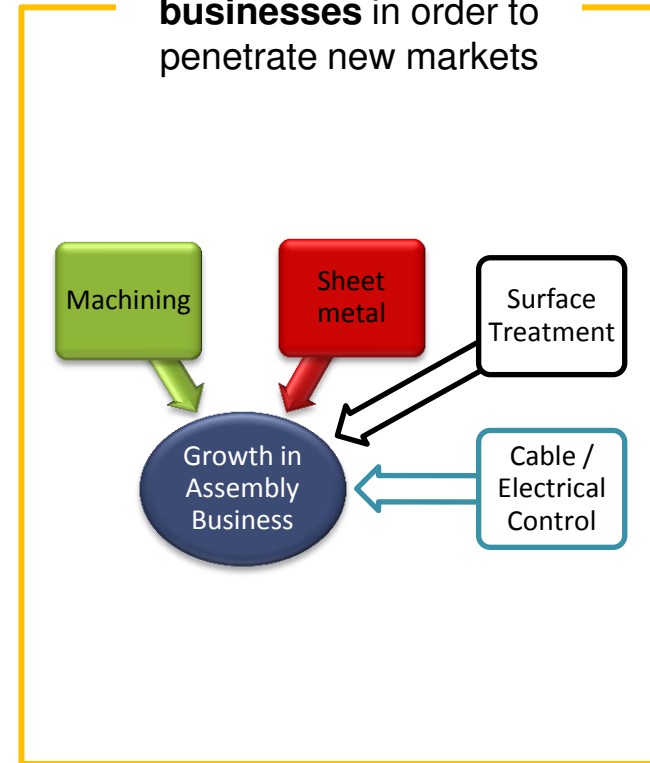
M&A

Merger & Acquisition

To increase the product range offered by various Business Segments



To acquire new businesses in order to penetrate new markets



Investment Merits

Investment Merits

- **Established Market Player**
 - Strong track record, performing above market industry average
- **Improved Earnings Quality**
 - Volatile project earnings now supplemented by more stable recurring maintenance income from Multiheight.
- **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**
 - As at announcement on 27 Feb 2015, order book of S\$38.9 million on hand, excluding MHS unit rate maintenance contracts
- **Established Management & Potential for Growth**
 - Established management with proven track record of leading the Group through difficult periods. This strong resilient management leadership is one that the Group can rely on to deliver future growth.



Q & A



Building Momentum, Capturing Opportunities

Thank you

