

1H2021 Results Presentation

12 August 2021





NORDIC
Group Limited

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Financial Highlights for 1H2021

Revenue

\$49.2 ↑49%

1H20: \$33.0m

Net profit

\$7.8m ↑317%

1H20: \$1.9m

EBITDA

\$10.4m ↑137%

1H20: \$4.4m

GPM

28% ↑6 pts

1H20: 22%

NPM

16% ↑10 pts

1H20: 6%

EBITDA margin

21% ↑8 pts

1H20: 13%

Order book

\$135.3m

as at 30 June 2021

EPS

2.0 cents

↑300%

1H20: 0.5 cents

NAV per share

24.5 cents ↑7%

31 Dec 20: 22.8
cents

Financial Review

S\$'000	Unaudited 2Q2021	Unaudited 2Q2020	Change (%)	Unaudited 1H2021	Unaudited 1H2020	Change (%)
Revenue	24,716	12,561	97	49,172	33,015	49
Gross Profit	7,636	4,123	85	13,989	7,227	94
Gross Profit Margin ⁽¹⁾	31%	33%	(2) ppts	28%	22%	6 ppts
Net Profit after Tax	4,343	311	1,296	7,797 ⁽³⁾	1,870	317
Net Profit Margin	18%	2%	16 ppts	16%	6%	10 ppts
EBITDA	5,708	1,623	252	10,437	4,447	135
EBITDA Margin	23%	13%	10 ppts	21%	13%	8 ppts
EPS (cents) ⁽²⁾	1.12	0.08	1300	2.0	0.5	300

(1) Excluding the government grants such as wage credit scheme, jobs support scheme, foreign workers rebate, the gross profit margins were 27.8%, 7.4%, 26.0% and 12.2% for 2Q2021, 2Q2020, 1H2021 and 1H2020.

(2) Computed based on weighted average number of 388,119,000, 390,196,000, 388,360,000 and 390,932,000 ordinary shares for 2Q2021, 2Q2020, 1H2021 and 1H2020.

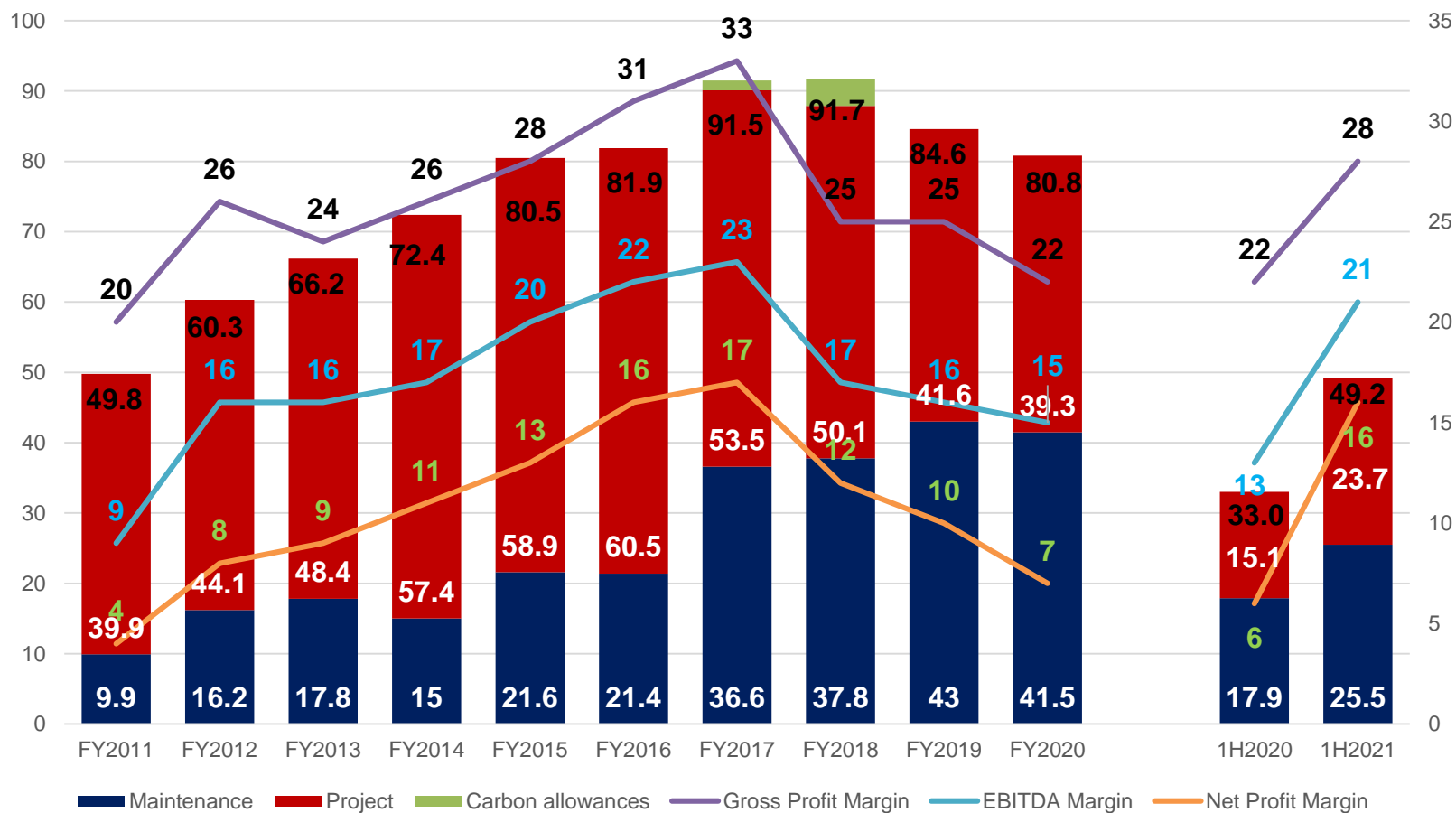
(3) Similar to 1H2018 (\$7,790). All time high half year net profits



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Financial Review

Revenue, GP, NP, EBITDA Margins



Financial Review

Balance Sheet Highlights

S\$'000	Unaudited as at 30 June 2021	Unaudited as at 31 March 2021
Current Assets	102,804	88,788
Non-current Assets	66,524	67,195
Current Liabilities	64,524	52,452
Non-current Liabilities	9,618	11,344
Total Equity	95,186	92,187
Cash and Cash Equivalents	56,194	45,447
Net Asset Value per share (cents) ^[1]	24.5	23.7

^[1] Computed based on number of 388,000,000 (31 March 21: 388,599,529) ordinary shares, excluding treasury shares

Financial Review

	As at end of								
S\$'000	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	1H2021
Total Borrowings	21,539	25,320	32,155	28,085	46,612	48,807	44,069	45,873	43,647
Cash and Cash Equivalents	14,852	32,799	35,566	32,325	40,291	39,232	43,200	57,512	56,194
Net Debt/(Cash)	6,687	(7,479)	(3,411)	(4,240)	6,321	9,575	869	(11,639)	(12,547)
Net Gearing Ratio ⁽¹⁾	19%	-19% ⁽²⁾	-10% ⁽²⁾	-11% ⁽²⁾	13% ⁽³⁾	19% ⁽⁴⁾	2% ⁽⁵⁾	-20% ⁽²⁾	-19%⁽²⁾

(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

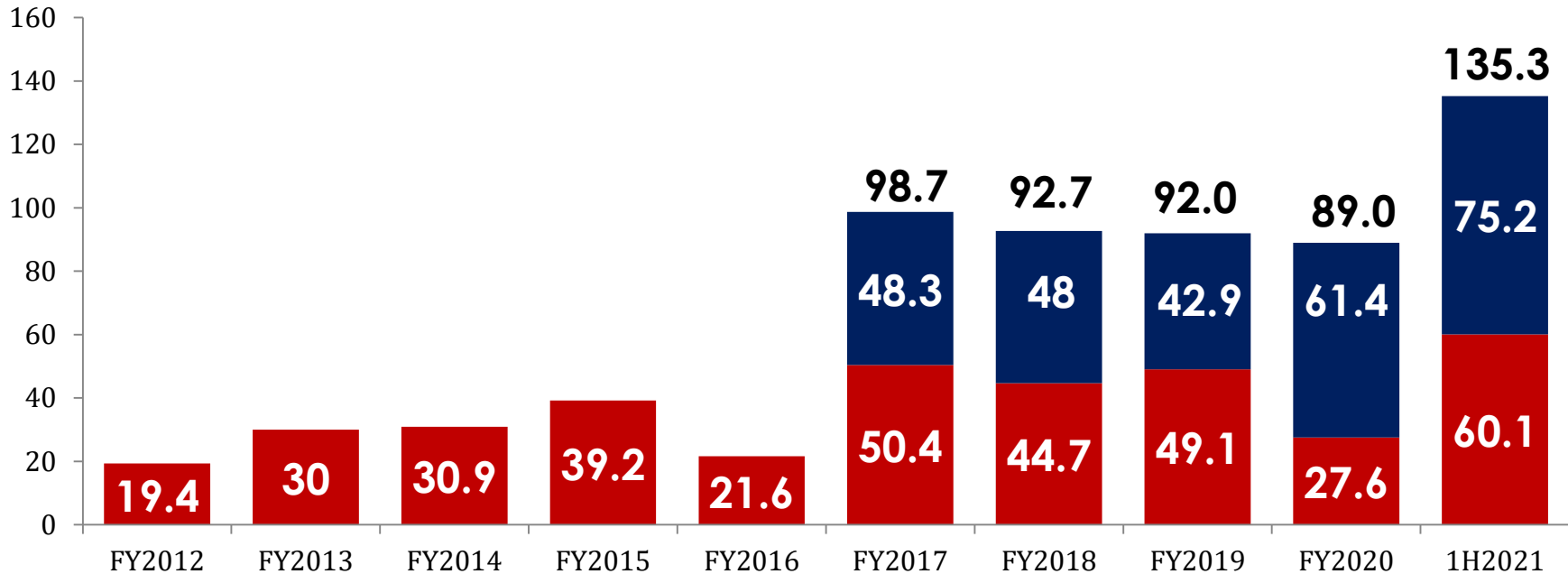
(3) Increase due to \$21 million loan from the acquisition of Ensure in April 2017

(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

(S\$m)



■ - Project ■ - Maintenance

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.

\$135.3 million is the record order book

Contracts Win

Aug 4, 2021 - Total value: S\$35.6m

- Cleanroom: ad-hoc and maintenance services contracts to supply, install, tools hook-up services and supply of spares
- Precision Engineering: capital contracts for machining and mechanical assembly
- Insulation: capital project for insulation work
- Scaffolding: capital project and renewed maintenance contract for scaffolding work
- Scaffolding and Petrochemical: scaffolding work and inspection and load testing of lifting equipment and pressure vessels
- System integration: manufacture of valves and actuators, control and tank gauging systems.

Contracts Win

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

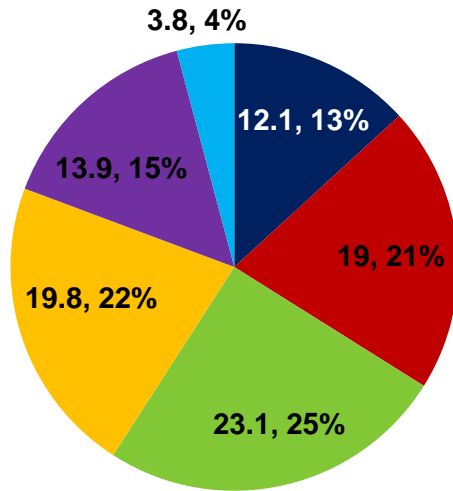
- Insulation: newly acquired maintenance contract for thermal spray aluminium work
- Petrochemical: newly acquired tank cleaning work. Mechanical repairs and renewal of operation and maintenance of waste to energy plant.
- Cleanroom: supply and install air pollution control scrubbers and water treatment 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

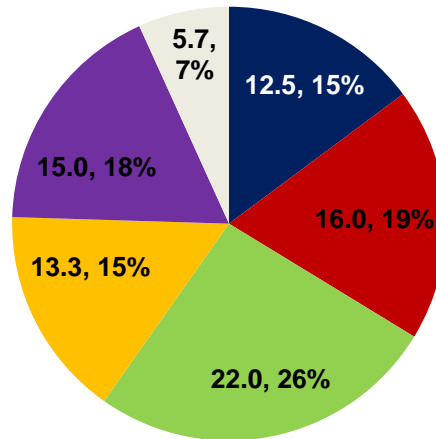
- Insulation: capital project and newly acquired maintenance contract for scaffolding, insulation and painting work
- Scaffolding: capital project and renewed maintenance contract for scaffolding work
- Petrochemical and Cleanroom: renewed and new maintenance contracts for servicing and maintenance of 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.

Revenue Contribution by Services

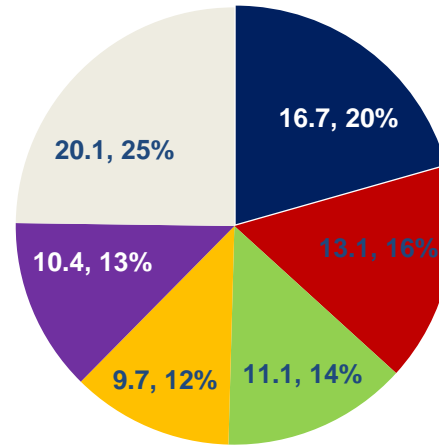
FY2018



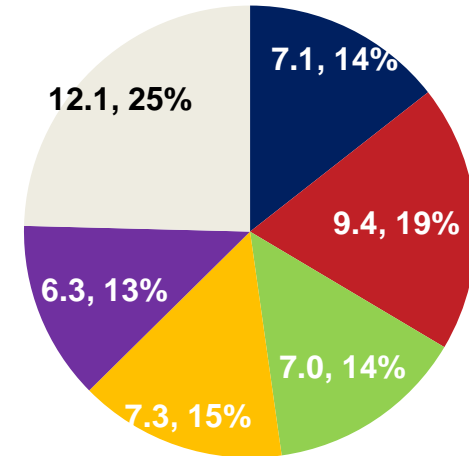
FY2019



FY2020



1H2021



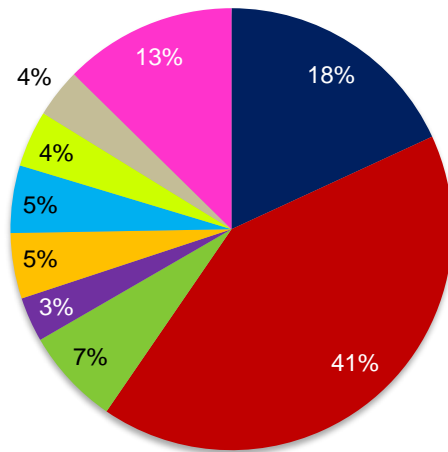
- System Integration / MRO & Trading
- Scaffolding Services
- Insulation Services
- Precision Engineering
- Petrochemical and Environmental Services
- Carbon allowances
- Cleanroom, Air & Water

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

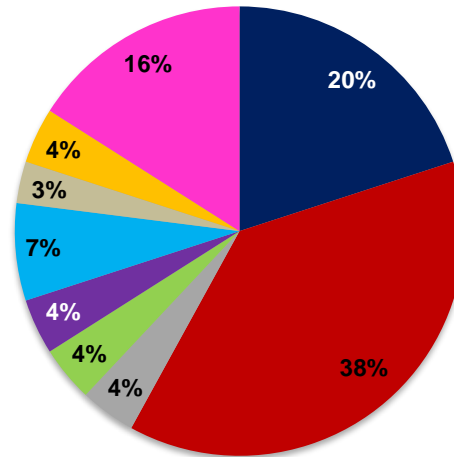
The acquisition of Multiheight in 2011 has effectively reduced industry-specific risk and supported the Group's consistent revenue growth. The acquisitions of Austin Energy in 2015 and Ensure Engineering in 2017 and Envipure in 2019 have further diversified the Group's revenue stream and stimulated revenue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

Revenue Contribution by Industry

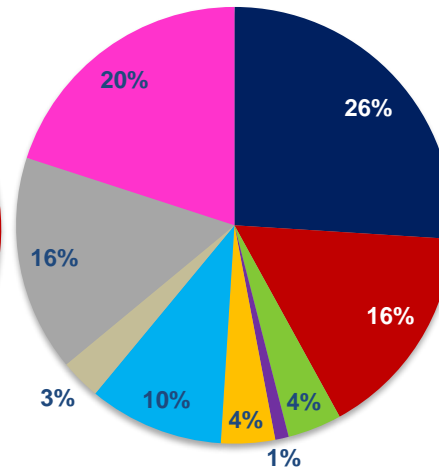
FY2018



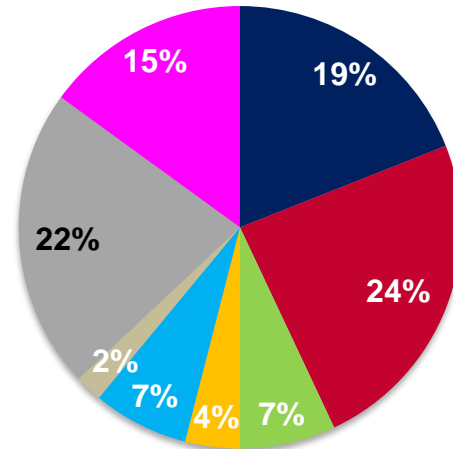
FY2019



FY2020



1H2021



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

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.

Dividends Paid/Payable

Payment date	Financial Year	Final / Interim / Special	Amount per share (cents)	Payout ratio
Sep 3, 2021	2021	Special	0.200	10%
Sep 3, 2021	2021	Interim	0.780 ⁽¹⁾	40%
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	25%
Sep 8, 2015		Interim	0.40	
May 21, 2015	2014	Special	0.25	
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%
Total			9.1332	

Note 1: Highest interim dividend paid

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	174,800	11,978,900	2.99
June 2021	21,100	12,000,000	3.00
VOLUME WEIGHTED AVERAGE PRICE		\$0.2179	

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 :

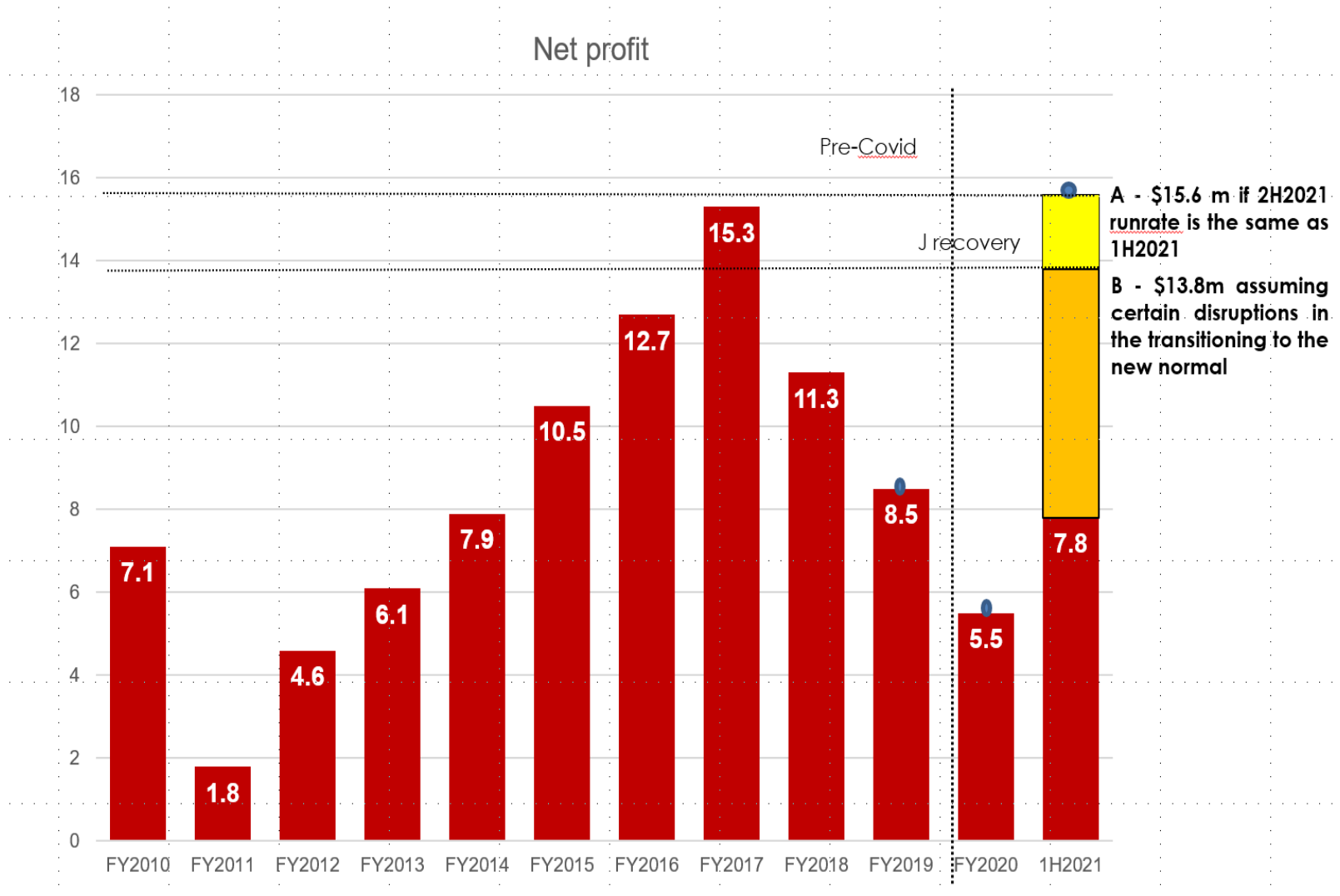
Director / Executive Officer	No. of shares held	% shareholdings*
Chang Yeh Hong	218,017,325	56.19%
Eric Lin Choon Hin	44,050,000	11.35%
Dorcas Teo Ling Ling	32,319,500	8.33%
Lee Kok Keng Andrew	1,061,800	0.27%
Chia Meng Ru	1,871,600	0.48%
	297,320,225	76.62%

* Calculated based on 388,000,000 ordinary shares

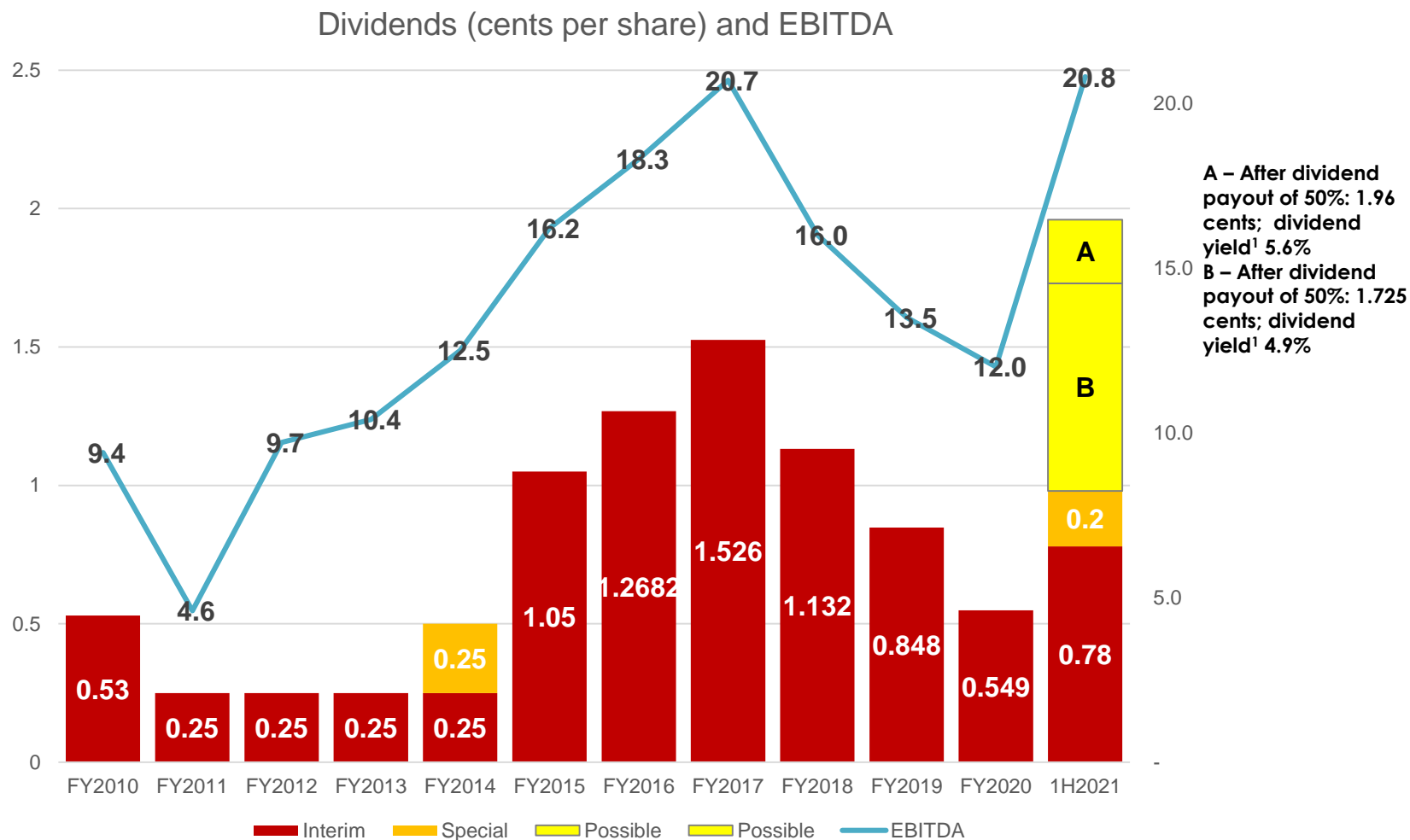
2021 Outlook

- Recovery remained resilient despite labour challenges
- Business momentum remains strong with orderbook at all time high
- Barring any unforeseen circumstances, **2021 outlook remains positive with a J shape recovery**: higher profits, stronger cashflow and increased dividends compared to 2020

2021 Recovery



Dividends



Note 1: Share price as at 6 August 2021: 0.35 cents [Yahoo Finance!]; A – net profit \$15.6m; B – net profit \$13.8m



Building Momentum, Capturing Opportunities

Thank you for your time.

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