

1H2023 Results Presentation

28 August 2023





NORDIC
Group Limited

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Accolade

Nordic named in
Forbes Asia's Best Under A Billion
list for the second consecutive year

The accolade featured 200 Asia-Pacific public companies with less than \$1 billion in sales and have consistently achieved top- and bottom-line growth.



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Financial Highlights for 1H2023

Revenue

\$89.4m ↑12%

1H22: \$79.8m

Net profit

\$10.1m ↓13%

1H22: \$11.6m

EBITDA

\$15.0m ↓12%

1H22: \$17.1m

GPM

25% ↓4ppts

1H22: 29%

NPM

11% ↓4ppt

1H22: 15%

EBITDA margin

17% ↓4ppts

1H22: 21%

Order book

\$202.4 m

as at 30 Jun 2023

EPS

2.5 cents

↓17%

1H22: 3.0 cents

NAV per share

28.9 cents

↑5%

12M22: 27.5 cents



Financial Review

Income Statement Highlights

S\$'000	Unaudited 1H2023	Unaudited 1H2022	Change (%)
Revenue	89,413	79,763	12
Gross Profit	22,095	23,047	(4)
Gross Profit Margin	25	29	(4) <i>ppts</i> ^[1]
Net Profit after Tax	10,100	11,616	(13)
Net Profit Margin	11	15	(4) <i>ppt</i>
EBITDA	15,013	17,143	(12)
EBITDA Margin	17	21	(4) <i>ppts</i>
EPS ^[2]	2.5	3.0	(17)

^[1] *ppts*: Percentage Points

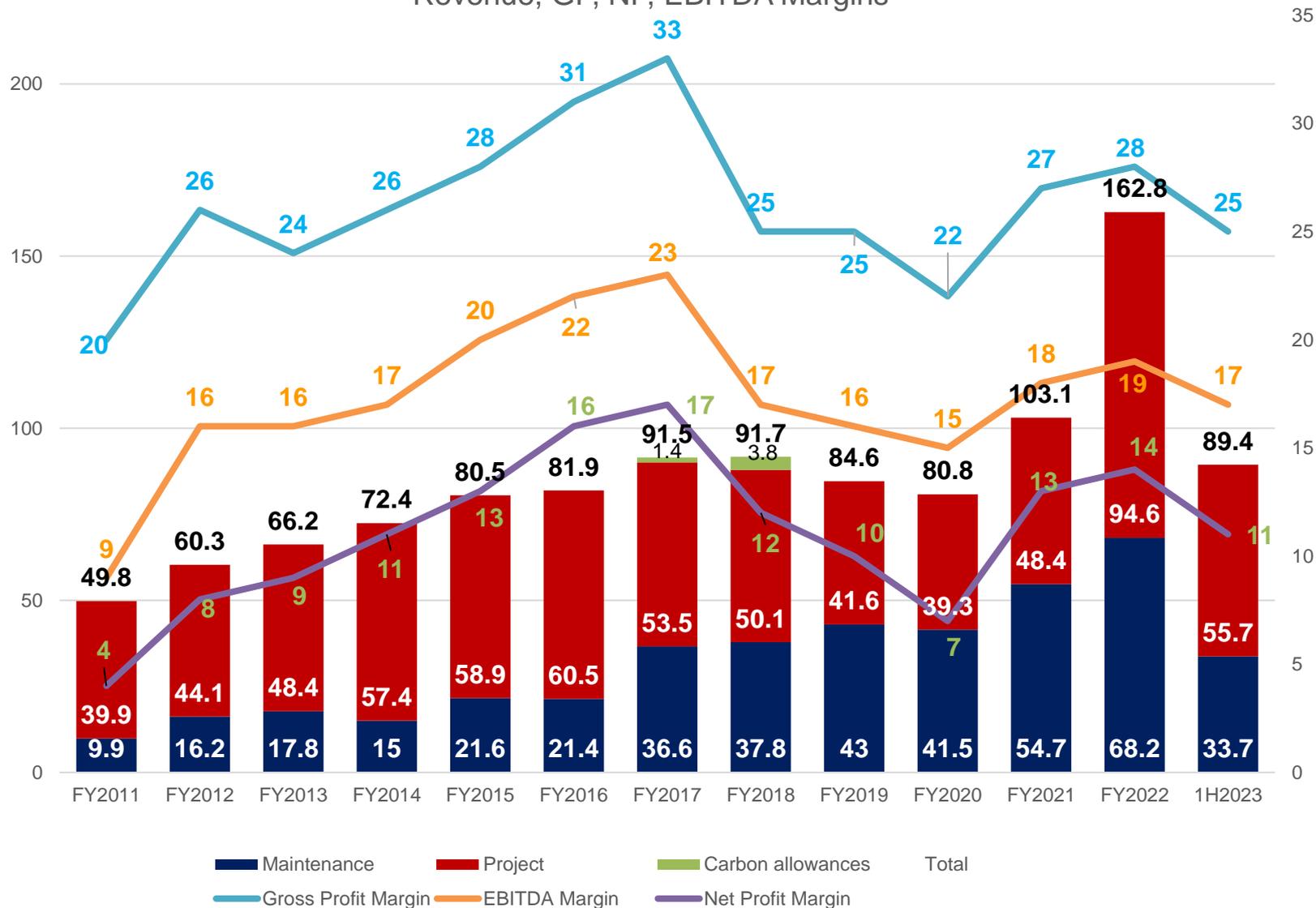
^[2] Based on weighted average number of 399,736,100 ordinary shares for 1H2023 (1H2022: 387,954,000 ordinary shares)



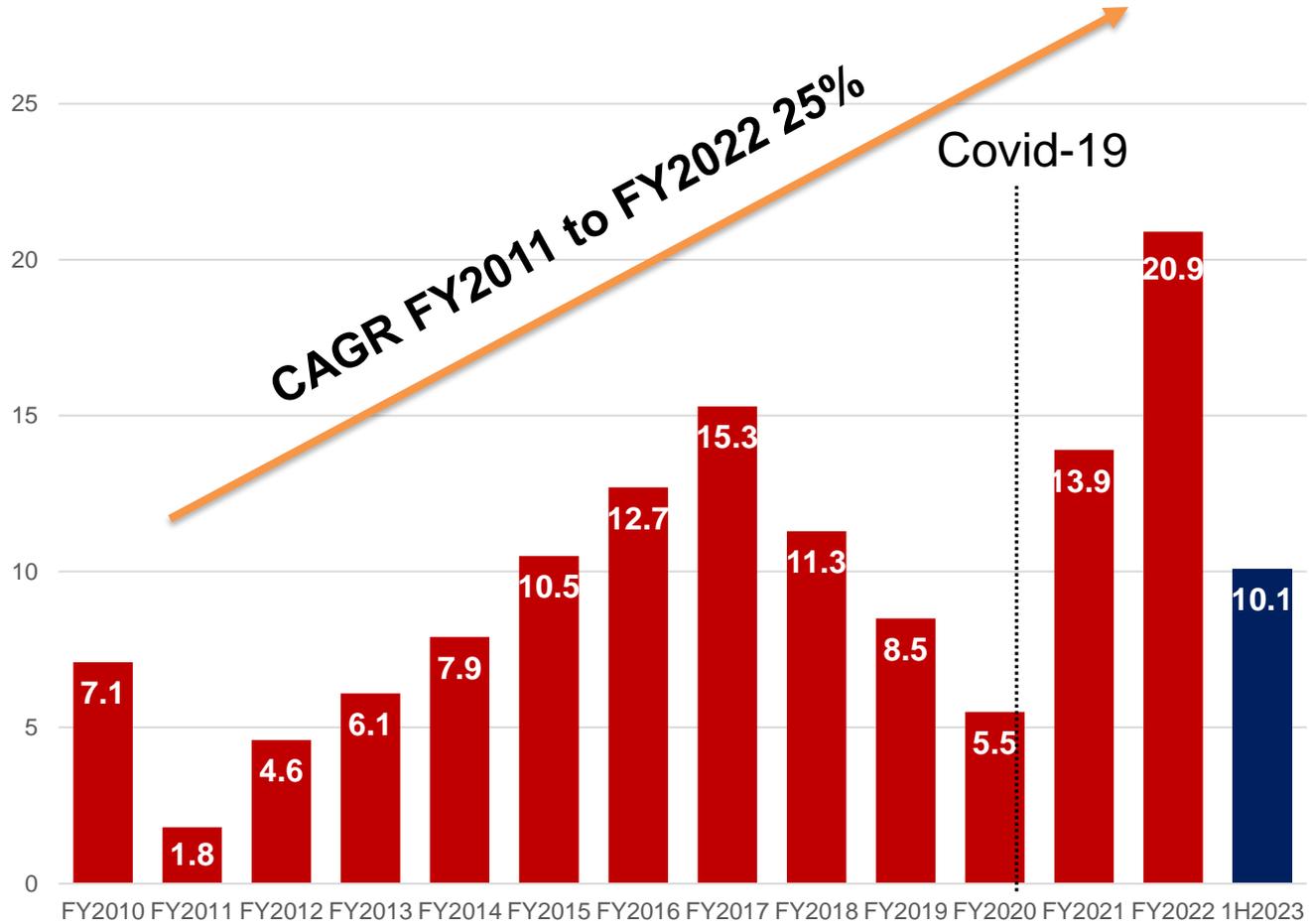
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Financial Review

Revenue, GP, NP, EBITDA Margins



Net profit



Financial Review

Balance Sheet Highlights

S\$'000	Unaudited as at 30 Jun 2023	Unaudited as at 31 Dec 2022
Current Assets	153,701	139,083
Non-current Assets	96,133	98,726
Current Liabilities	120,508	102,537
Non-current Liabilities	13,777	25,256
Total Equity	115,549	110,016
Cash and Cash Equivalents	56,472	55,915
Net Asset Value per share (cents) ^[1]	28.9	27.5

^[1] Computed based on number of 399,736,100 (31 Dec 22: 399,736,100) ordinary shares, excluding treasury shares



Financial Review

	As at end of									
S\$'000	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	1H2023
Total Borrowings	25,320	32,155	28,085	46,612	48,807	44,069	45,873	60,262	72,107	81,916
Cash and Cash Equivalents	32,799	35,566	32,325	40,291	39,232	43,200	57,512	75,337	55,915	56,472
Net Debt/(Cash)	(7,479)	(3,411)	(4,240)	6,321	9,575	869	(11,639)	(15,075)	16,192	25,444
Net Gearing Ratio ⁽¹⁾	-19% ⁽²⁾	-10% ⁽²⁾	-11% ⁽²⁾	13% ⁽³⁾	19% ⁽⁴⁾	2% ⁽⁵⁾	-20% ⁽²⁾	-22% ⁽²⁾	24% ⁽⁶⁾	35% ⁽⁷⁾

(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

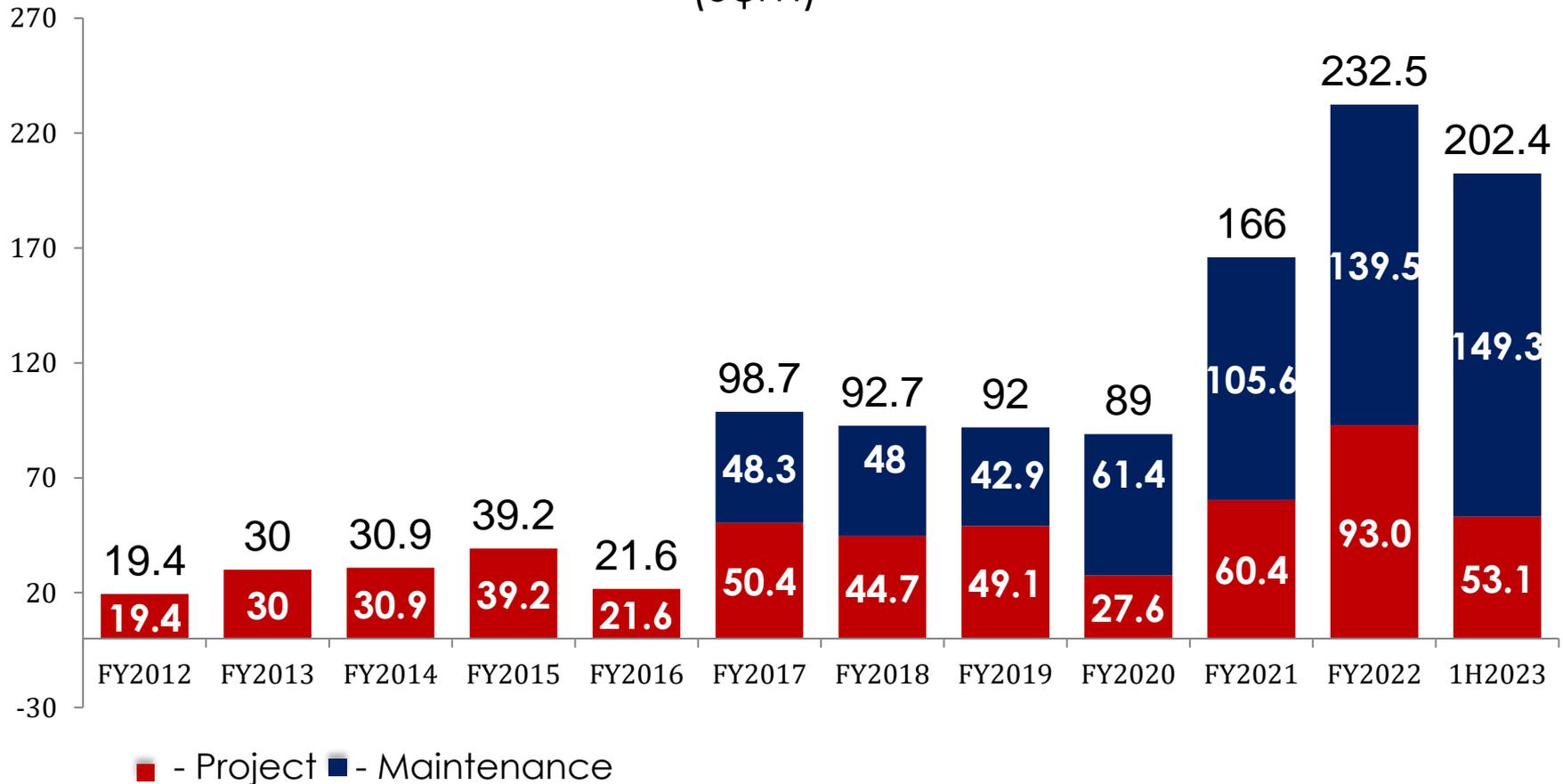
(5) Net debt is due to the acquisition of Envipure Group

(6) Increase due to additional loans for acquisition of Starburst Group and Eratech

(7) Increase due to the second and last payment of \$3 million for the acquisition of Eratech and dividends paid

Order Book

(S\$m)



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.

Contracts Win

August 26, 2023 - Total value: S\$40.8 m

- System Integration: manufacture of valves and actuators, control and tank gauging systems and E&I work
- Precision Engineering: capital contracts for machining and mechanical assembly. Certain contracts are for green energy components
- Scaffolding and Insulation: Maintenance work at petrochemical and pharmaceutical industries
- Petrochemical & Environmental Engineering: maintenance and operation of plant and equipment at certain public infrastructures
- Cleanroom: adhoc and maintenance contracts to supply, install and maintain scrubber and tools hook-up services
- Structural Engineering and Construction Services: maintenance contract for range and ballistic protection works of a government law enforcement agency.

Contracts Win

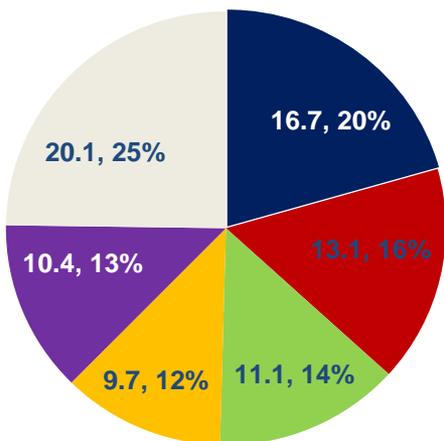
April 5, 2023 - Total value: S\$22.6 m

- System Integration: manufacture of valves and actuators, control and tank gauging systems and **maiden contribution of E&I work from a new customer**
- Precision Engineering: capital contracts for machining and mechanical assembly
- Scaffolding and insulation: SIP maintenance work at an existing customer
- Cleanroom: adhoc and maintenance contracts to supply, install and maintain scrubber and tools hook-up services
- Specialist Structural Engineering Services: adhoc project from a new customer to design, supply and deliver partition panels.

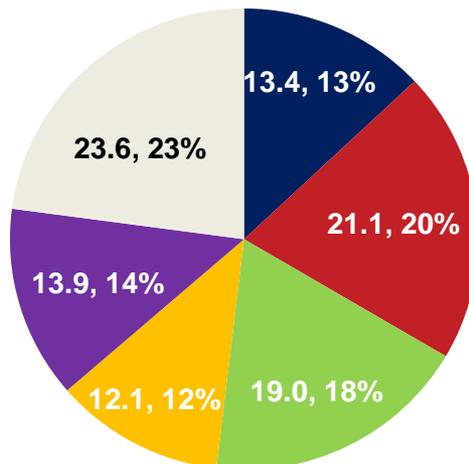


Revenue Contribution by Services

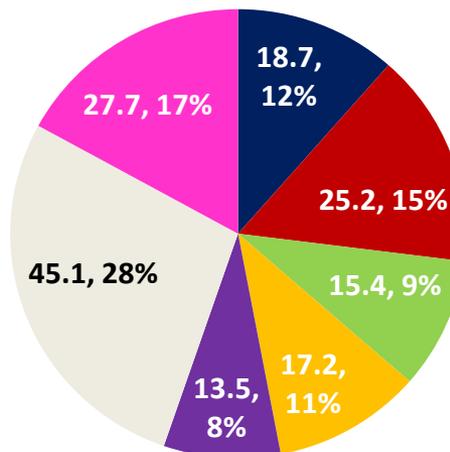
FY2020



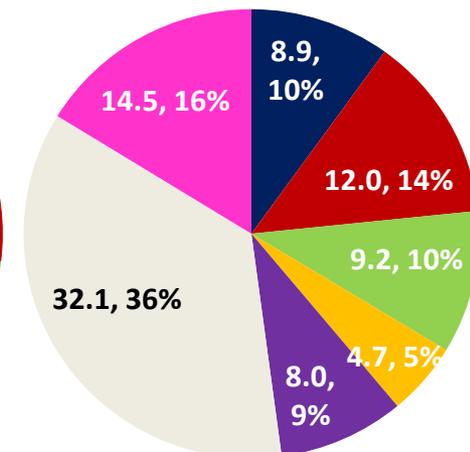
FY2021



FY2022



1H2023



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

Note: Combined contracts between the entities such as SIP contracts are reflected in the entity who won the contracts. Value is approximately FY19:\$2.1m, FY20:\$2.3m, FY21:\$5m, FY22:\$3.4m, 1H23:\$0.5m

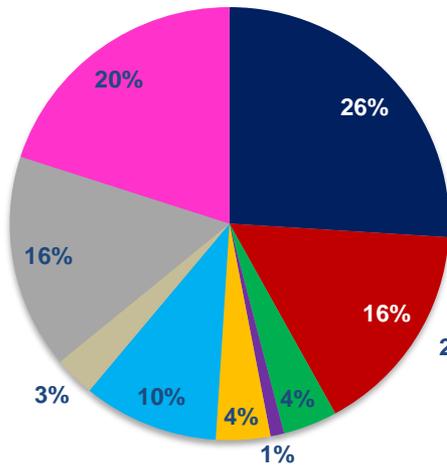
The acquisitions of Multiheight in 2011, Austin Energy in 2015, Ensure Engineering in 2017, Envipure in 2019, Starburst and Eratech in 2022 have effectively reduced industry-specific risk, further diversified the Group's revenue stream and supported the Group's consistent revenue growth.



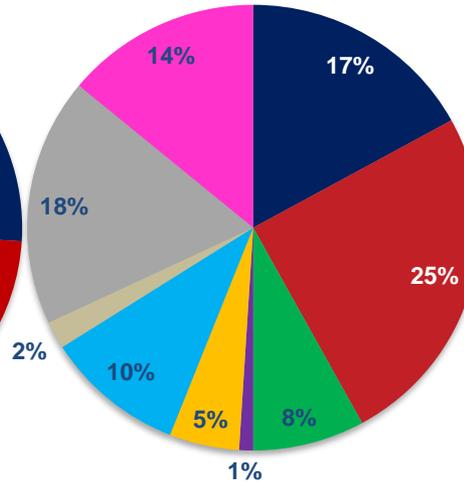
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Revenue Contribution by Industry

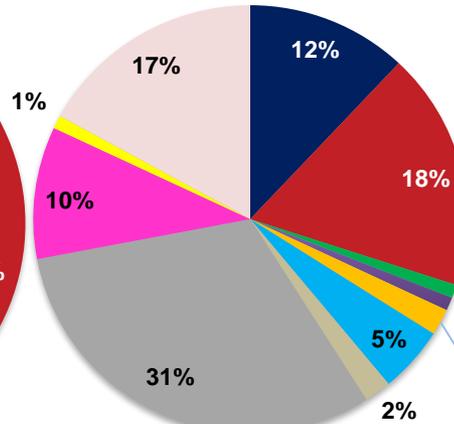
FY2020



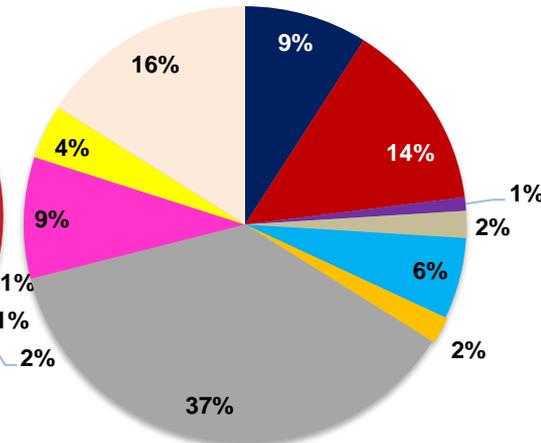
FY2021



FY2022



1H2023



- Onshore/Downstream
- Marine/Upstream
- Electronics Manufacturing System
- Onshore/Infrastructure
- Analytical Instrumentation
- Medical equipment/Industrial/manufacturing
- Pharmaceutical
- Aerospace
- Semiconductor
- Law enforcement, security agencies, civil authorities
- Optical Imaging

Reclassification of 4% was done from EMS to Semiconductor in 12M2022 for Precision Engineering division

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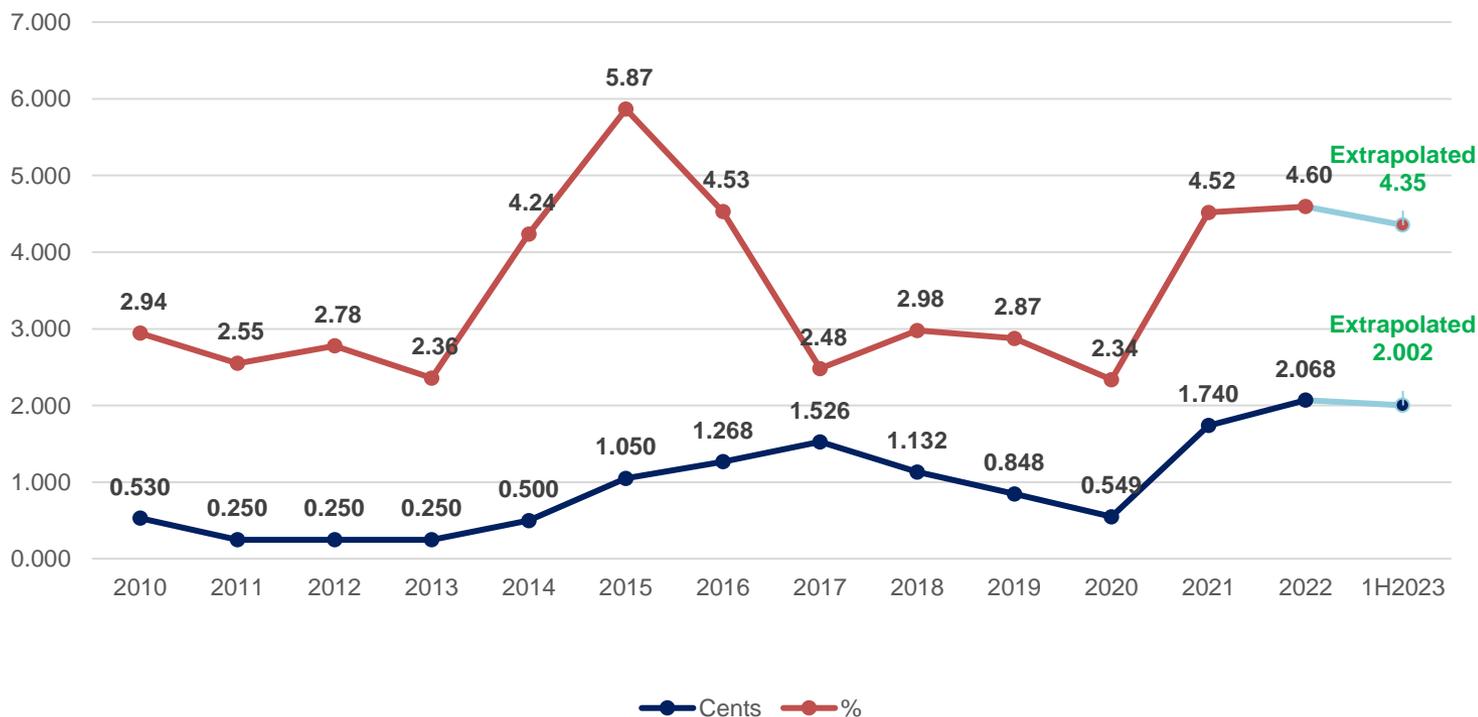
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Dividends Paid

Payment date	Financial Year	Final / Interim / Special	Amount per share (cents)	Total annual dividend (cents)	Payout ratio
Sep 4, 2023	2023	Interim	1.001	1.001	40%
May 17, 2023	2022	Final	0.906	2.068	40%
Sep 2, 2022		Interim	1.162		40%
May 17, 2022	2021	Special	0.152	1.74	10%
May 17, 2022		Final	0.608		40%
Sep 3, 2021		Special	0.200		10%
Sep 3, 2021		Interim	0.780		40%
May 14, 2021	2020	Final	0.362	0.549	40%
Sep 4, 2020		Interim	0.187		
May 14, 2020	2019	Final	0.419	0.848	
Sep 5, 2019		Interim	0.429		
May 14, 2019	2018	Final	0.353	1.132	
Sep 5, 2018		Interim	0.779		
May 14, 2018	2017	Final	0.873	1.526	
Sep 5, 2017		Interim	0.653		
May 12, 2017	2016	Final	0.731	1.2682	
Sep 2, 2016		Interim	0.5372		
May, 13 2016	2015	Final	0.65	1.05	
Sep 8, 2015		Interim	0.40		
May 21, 2015		Special	0.25		
May 21, 2015	2014	Final	0.25	0.50	25%
May 15, 2014	2013	Final	0.25	0.25	16%
May 15, 2013	2012	Final	0.25	0.25	22%
May 21, 2012	2011	Final	0.25	0.25	56%
May 16, 2011	2010	Final	0.53	0.53	30%
Total			12.9622	12.9622	

Dividend Per Share and Dividend Yield

Dividend yield (%) and dividend per share (cents)



Dividend yield is calculated using closing price on 1 Jan of each year (source: yahoo finance).



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Nordic's Share Buyback – renewed on 24 April 2023 AGM

MONTH OF ACQUISITION	QUANTITY	CUMULATIVE VOLUME	CUMULATIVE % OF TOTAL NO OF ISSUED SHARES **
<i>Share Buyback by way of Market Acquisition</i>			
May 2022	263,900	263,900	0.07
VOLUME WEIGHTED AVERAGE PRICE		\$0.4243	

Source : SGX Announcement

** Up to a maximum of 40 million shares being 10% of total issued shares of 400 million shares.

Insider 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%

22 August 2023:

Director / Executive Officer	No. of shares held	% shareholdings*
Chang Yeh Hong	218,190,325	54.58%
Eric Lin Choon Hin	44,050,000	11.02%
Dorcas Teo Ling Ling	32,419,500	8.11%
Astro Chang Yeh Fung	3,329,300	0.83%
Chia Meng Ru	1,871,600	0.47%
Lee Kok Keng Andrew	1,061,800	0.27%
Total	300,922,525	75.28%

* Calculated based on 399,736,100 ordinary shares



Building Momentum, Capturing Opportunities

Thank you for your time.

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