

Voluntary Business Updates 1Q2022

25 May 2022





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Group Limited

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Financial Highlights for 1Q2022

Revenue

\$40.1m ↑64%

1Q21: \$24.5m

Net profit

\$5.2m ↑49%

1Q21: \$3.5m

EBITDA

\$8.1m ↑72%

1Q21: \$4.7m

GPM

28% ↑ 2 pts

1Q21: 26%

NPM

13% ↓1 ppt

1Q21: 14%

EBITDA margin

20% ↑1 ppt

1Q21: 19%

Order book

\$258.5m

as at 30 April 2022

EPS

1.3 cents

↑44%

1Q21: 0.9 cents

NAV per share

26.3 cents ↑4%

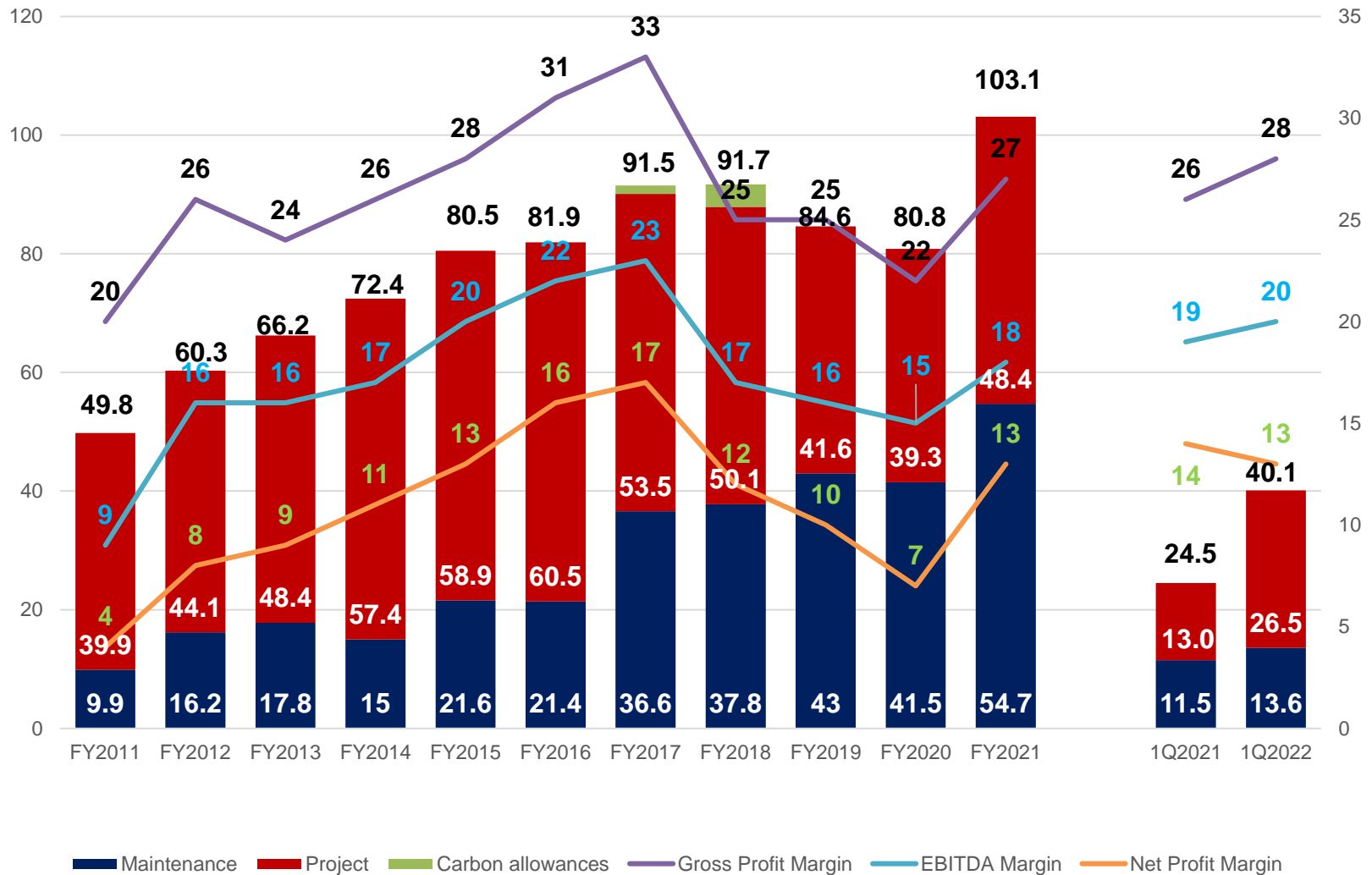
31 Dec 21: 25.2
cents



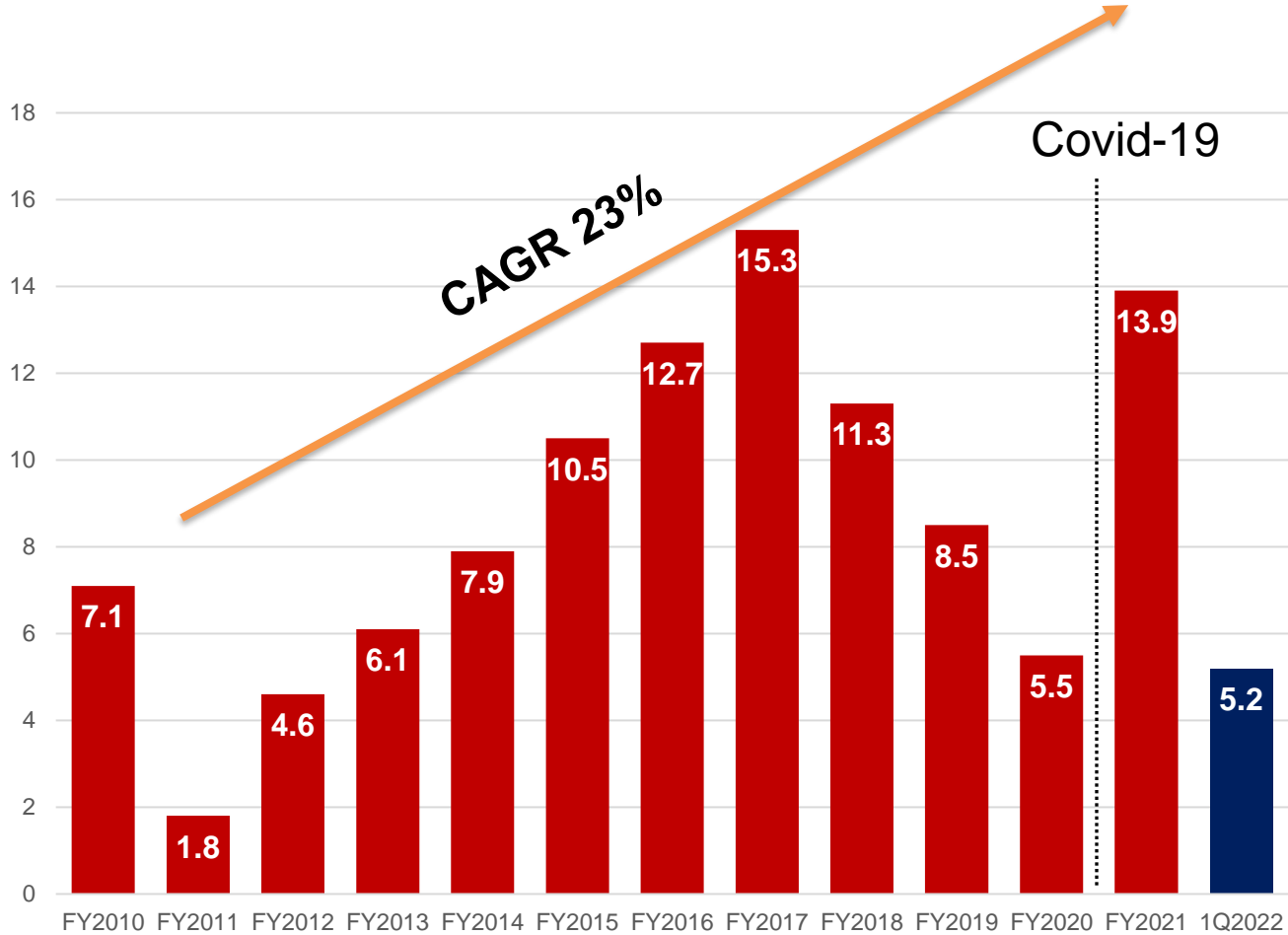
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Financial Review

Revenue, GP, NP, EBITDA Margins



Net profit



Balance Sheet Highlights

S\$'000	Unaudited as at 31 March 2022	Audited as at 31 December 2021
Current Assets	124,190	127,057
Non-current Assets	99,697	65,209
Current Liabilities	97,203	85,932
Non-current Liabilities	24,372	8,699
Total Equity	102,312	97,635
Cash and Cash Equivalents	40,870	75,337
Net Asset Value per share (cents) ^[1]	26.3	25.2

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



Financial Review

	As at end of									
S\$'000	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	1Q2022
Total Borrowings	21,539	25,320	32,155	28,085	46,612	48,807	44,069	45,873	60,262	79,213
Cash and Cash Equivalents	14,852	32,799	35,566	32,325	40,291	39,232	43,200	57,512	75,337	40,870
Net Debt/(Cash)	6,687	(7,479)	(3,411)	(4,240)	6,321	9,575	869	(11,639)	(15,075)	38,343
Net Gearing Ratio ⁽¹⁾	19%	-19% ⁽²⁾	-10% ⁽²⁾	-11% ⁽²⁾	13% ⁽³⁾	19% ⁽⁴⁾	2% ⁽⁵⁾	-20% ⁽²⁾	-22% ⁽²⁾	66%

(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

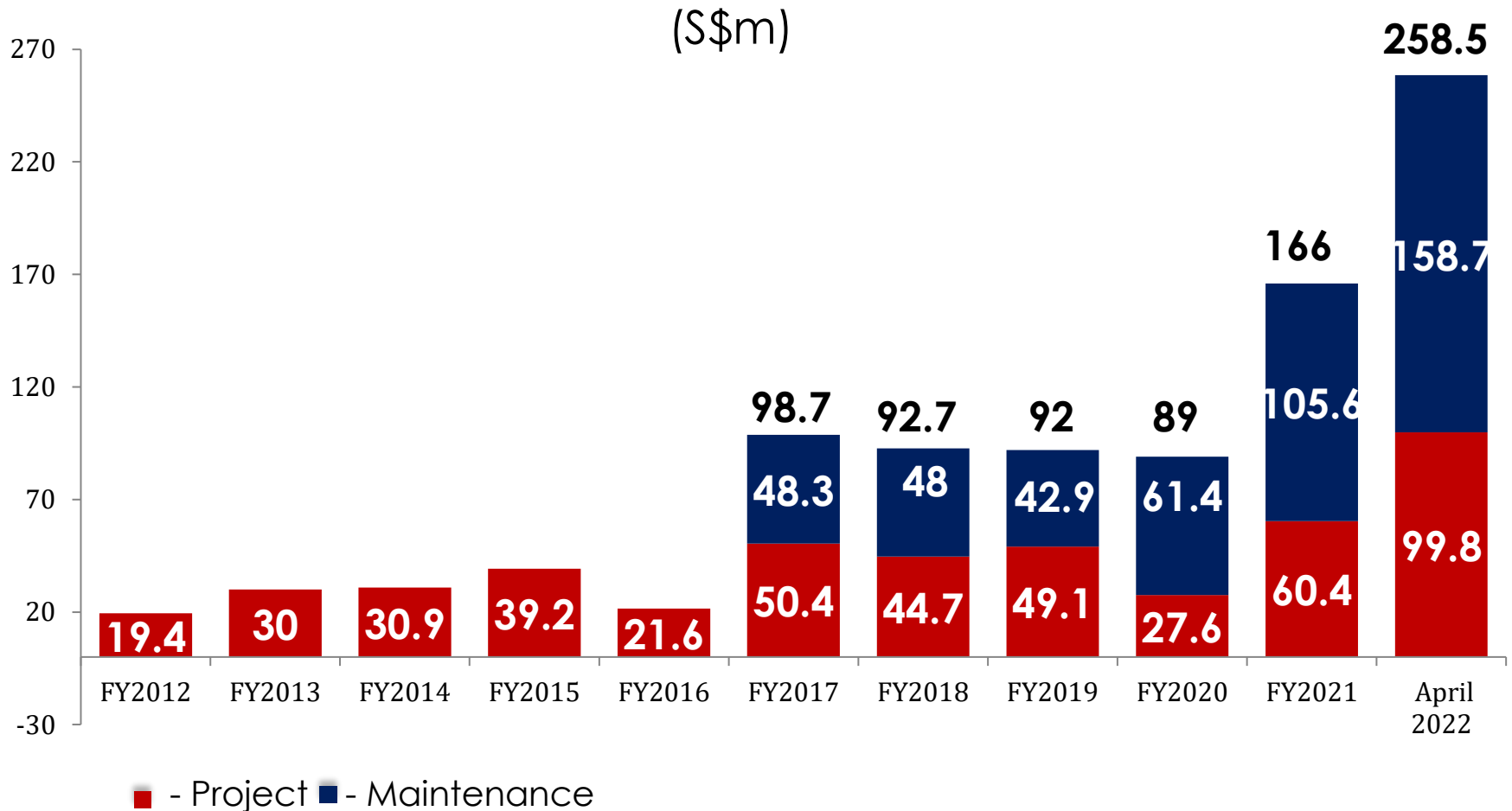
(3) Increase due to \$21 million loan from the acquisition of Ensure in April 2017

(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 in net gearing ratio in 1Q2022 due to acquisition of Starburst Group

Order Book



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

May 24, 2022 - Total value: S\$19.0 m

- System integration: manufacture of valves and actuators, control and tank gauging systems and upgrading of water ballast system and Electrical and Instrumentation work
- Precision Engineering: capital contracts for machining and mechanical assembly
- Scaffolding, Insulation and Petrochemical & Environmental Engineering: insulation, scaffolding work and maintenance of plant and equipment at certain infrastructures
- Cleanroom: capital and adhoc contracts to supply, install scrubber system and tools hook-up services and process exhaust ductwork

Contracts Win

March 21, 2022 - Total value: S\$151.6m

- System integration: manufacture of valves and actuators, control and tank gauging systems and upgrading of water ballast system
- Precision Engineering: capital contracts for machining and mechanical assembly
- Scaffolding, Insulation and Petrochemical & Environmental Engineering: renewed maintenance contracts for insulation, scaffolding work and maintenance of plant and equipment at certain infrastructures
- Cleanroom: capital and maintenance services contracts to supply, install scrubber system and tools hook-up services
- Newly acquired subsidiaries, Starburst Holdings Limited group (System Integration and Facility Management) has remaining capital projects and maintenance contracts for design, fabrication, installation and maintenance of anti-ricochet ballistic protection systems for shooting ranges and tactical training mock-ups for the security industry in Singapore and Middle East



Business Outlook

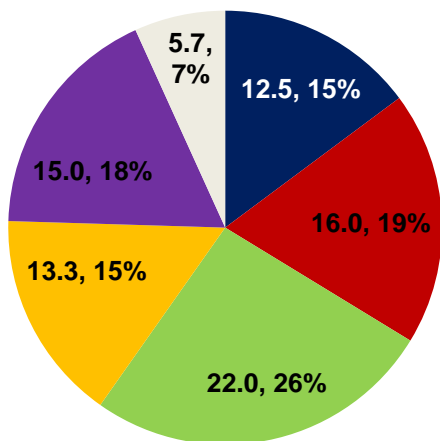
- The group remains positive over the long-term prospects in the marine, offshore oil and gas industries, petrochemical sectors, pharmaceutical, infrastructure and semiconductor sectors.
- The recent increase in crude oil prices has added some market optimism in the sectors we operate in. However, the labour crunch due to the limited pool of skilled workers in Singapore pose certain pressures on cost.
- With the expected recovery of business activities to pre-Covid levels, the group is optimistic with the contract wins secured to date, the prudent cost and risk management initiatives undertaken, the acquisition of Starburst Holdings Limited and opportunities for further M&A, the group will continue to deliver value to shareholders.



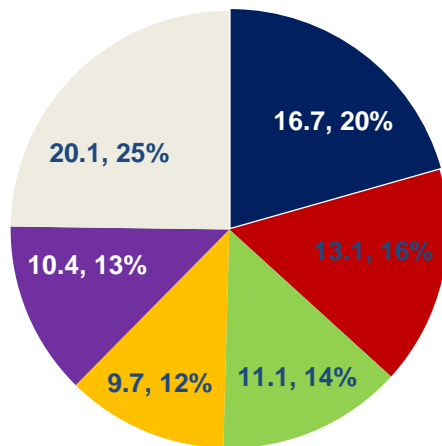
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Revenue Contribution by Services

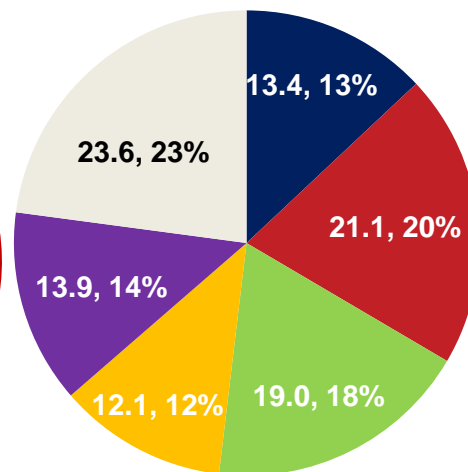
FY2019



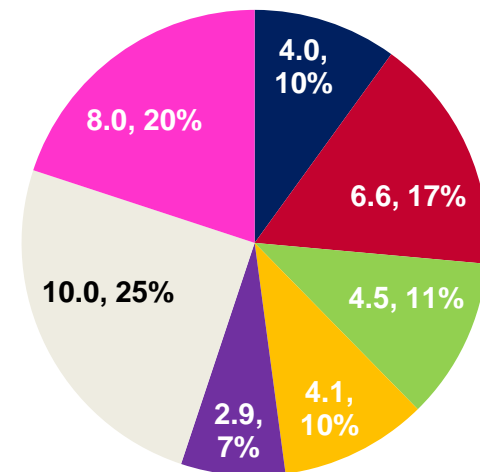
FY2020



FY2021



1Q2022



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

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, FY21:\$5m, 1Q22:\$2.4m

The acquisitions of Multiheight in 2011, Austin Energy in 2015, Ensure Engineering in 2017 and Envipure in 2019 and Starburst 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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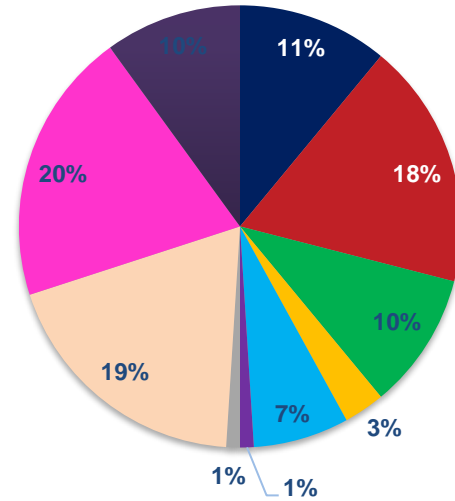
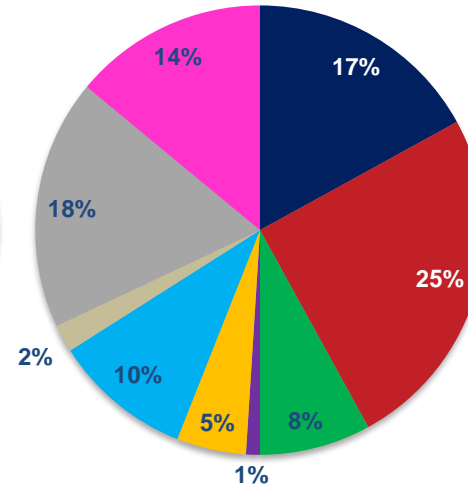
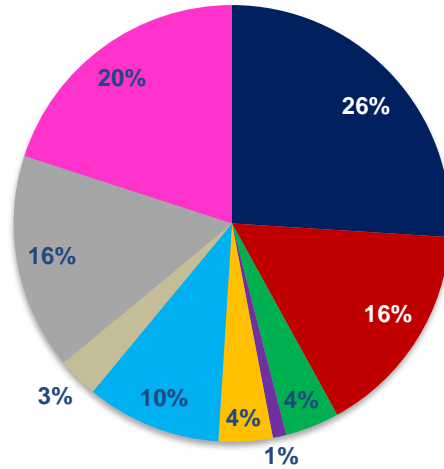
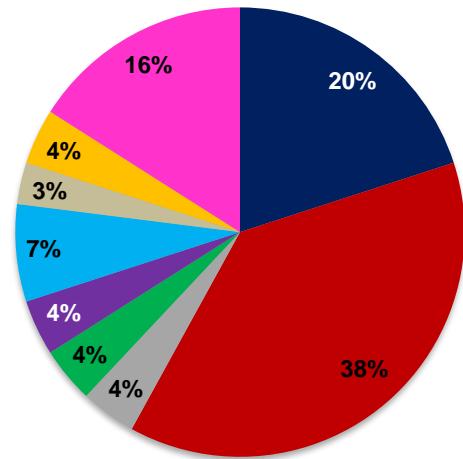
Revenue Contribution by Industry

FY2019

FY2020

FY2021

1Q2022



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

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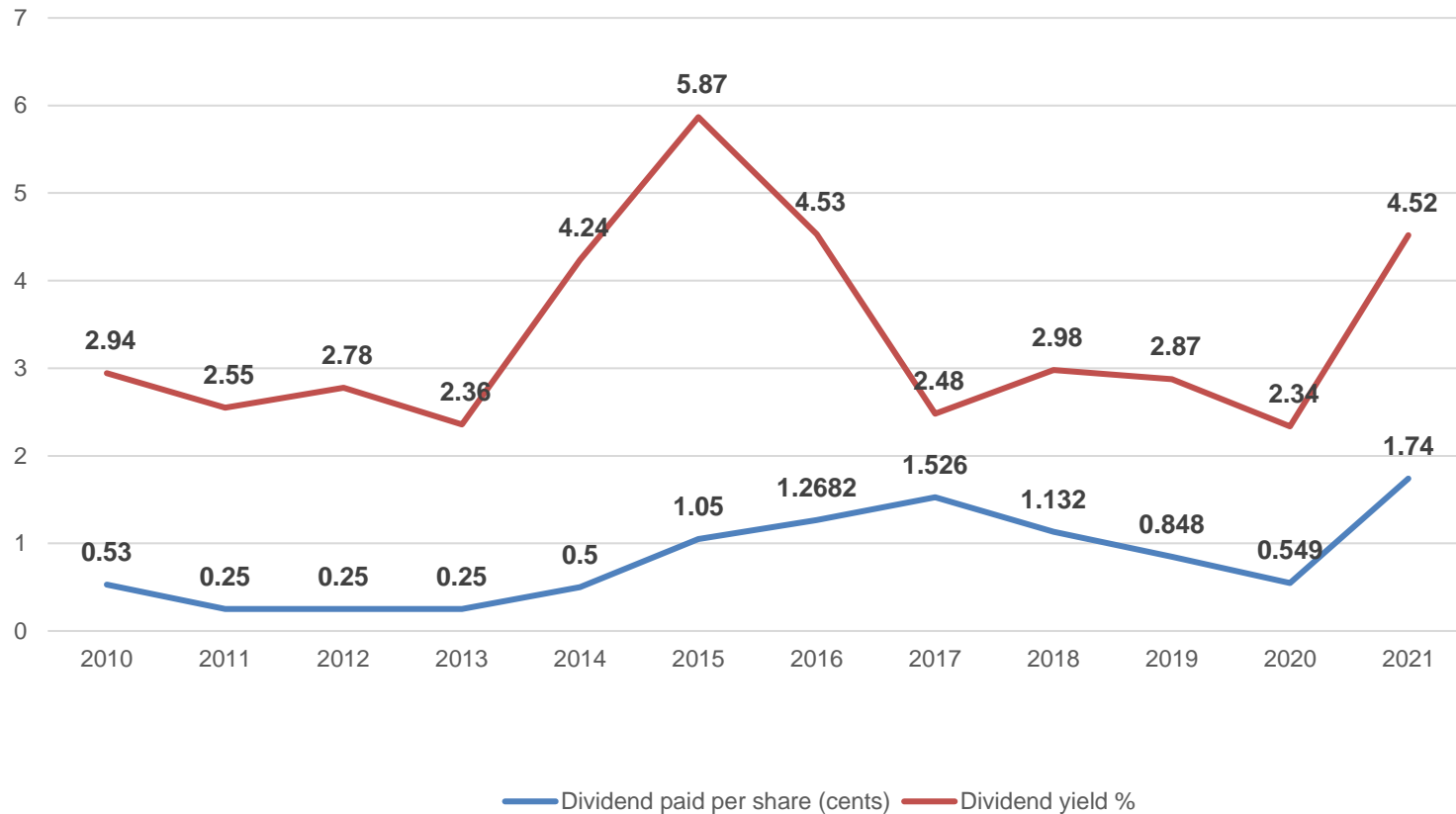
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Dividends Paid

Payment date	Financial Year	Final / Interim / Special	Amount per share (cents)	Total annual dividend (cents)	Payout ratio
May 17, 2022	2021	Special	0.152		10%
May 17, 2022	2021	Final	0.608		40%
Sep 3, 2021	2021	Special	0.200		10%
Sep 3, 2021	2021	Interim	0.780	1.74 ⁽¹⁾	40%
May 14, 2021	2020	Final	0.362		40%
Sep 4, 2020		Interim	0.187	0.549	
May 14, 2020	2019	Final	0.419		
Sep 5, 2019		Interim	0.429	0.848	
May 14, 2019	2018	Final	0.353		
Sep 5, 2018		Interim	0.779	1.132	
May 14, 2018	2017	Final	0.873		
Sep 5, 2017		Interim	0.653	1.526	
May 12, 2017	2016	Final	0.731		
Sep 2, 2016		Interim	0.5372	1.2682	
May, 13 2016	2015	Final	0.65		
Sep 8, 2015		Interim	0.40	1.05	
May 21, 2015	2014	Special	0.25		25%
May 21, 2015		Final	0.25	0.50	
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			9.8932	9.8932	

Note 1: Highest dividend

Dividends Paid Per Share and Dividend Yield



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 25 April 2022 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%

June 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%

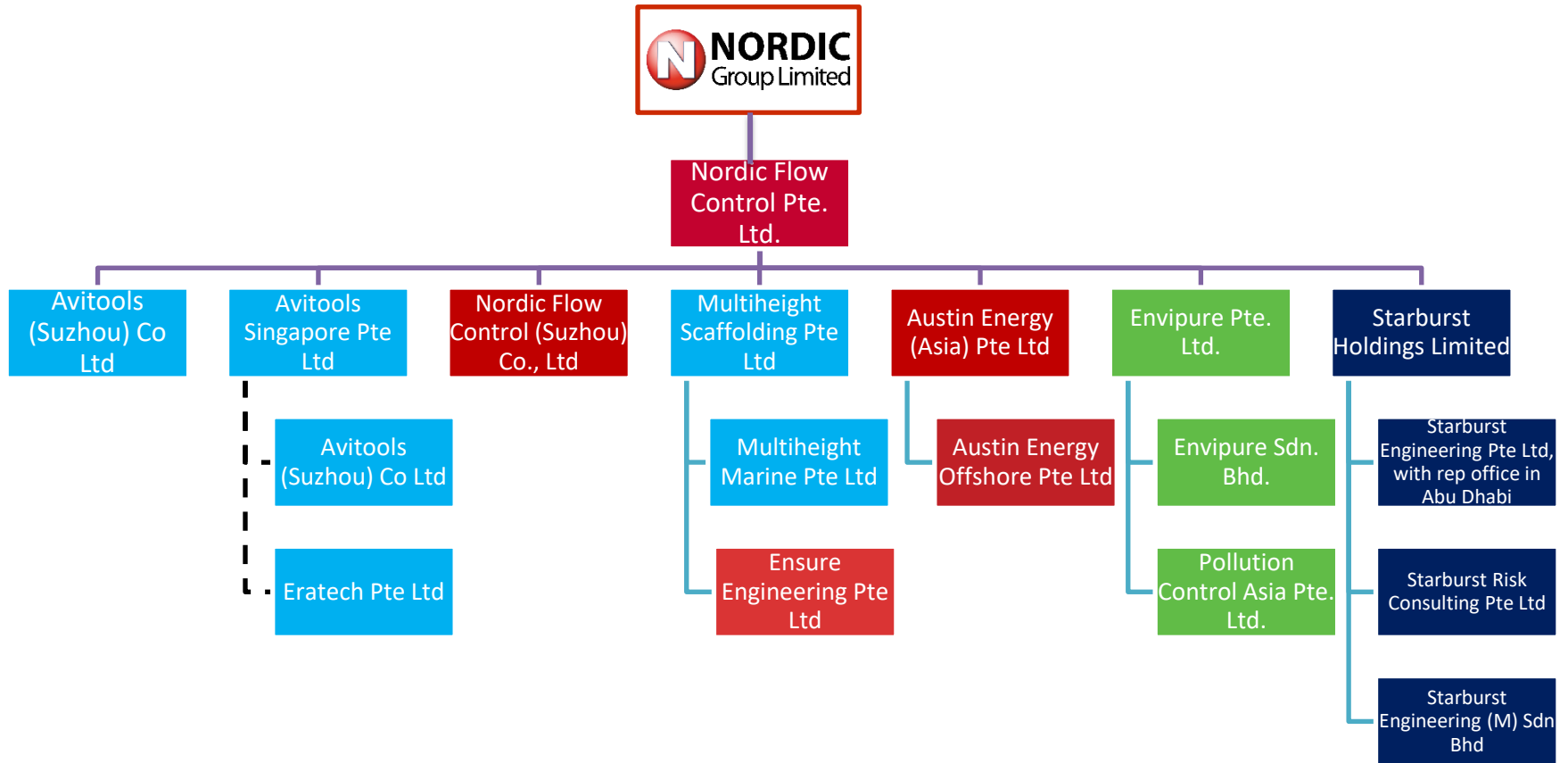
* Calculated based on 388,000,000 ordinary shares



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M&A

Group Structure



Notes:

- All subsidiaries are 100% owned by Nordic Group Limited.



Eratech Pte Ltd

1. Incorporated in 2006
2. Eratech is AS9100, ISO9001:2008 as well as ISO14001:2004 qualified. Eratech's industries segments are as follows:
 - Optical and imaging
 - Semiconductor
 - Aerospace & Aviation

Rationale for the Proposed Acquisition

Increase its range of products and services as well as new customers and penetrate new markets



Major Terms

1. Consideration is about SGD10 million, 70% payable on completion and balance 6 months from completion
2. Unaudited NTA of Eratech as at 31 December 2021 was SGD8.3 million
3. the net tangible assets of Eratech as at the date of the Completion (the “Completion Date”) shall not be less than S\$8.3 million;
4. the Consideration is subject to such downward or upward adjustment for impairment of trade and other receivables, work in progress, inventories and provisions for costs and accruals as may be mutually agreed; and
5. Eratech will have cash and cash equivalent of not less than S\$4.3 million on the Completion Date.



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Financial Effects

Based on the audited financial statements of the Group for FY2021:

- (a) assuming that the Proposed Acquisition had been effected at the end of FY2021, the net tangible assets per share of the Group as at 31 December 2021 is the same at 25.2 cents; and
- (b) assuming that the Proposed Acquisition had been effected at the beginning of FY2021, the earnings per share of the Group for FY2021 would have been 4.3 cents instead of 3.6 cents.



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Q&A



Building Momentum, Capturing Opportunities

Thank you for your time.

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