



Building Momentum, Capturing Opportunities

Nordic Group Limited

FY2020 Results Briefing

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- 1. Financial Review**
- 2. Business Outlook**
- 3. Investment Merits**



Financial Highlights for 2H2020 and FY2020

vs 1H2020 and FY2019

2H20 Revenue ↑45%

\$47.8m

1H20: \$33.0m

12M20 Revenue ↓5%

\$80.8m

12M19: \$84.6m

2H20 EPS ↑80%

0.9 cents

1H20: 0.5 cents

2H20 Net profit ↑93%

\$3.6m

1H20: \$1.9m

12M20 Net profit
↓35%

\$5.5m

12M19: \$8.5m

12M20 EPS ↓36%

1.4 cents

12M19: 2.2 cents

2H20 EBITDA ↑70%

\$7.6m

2H20: \$4.4m

12M20 EBITDA ↓11%

\$12.0m

12M19: \$13.5m

NAV per share ↑4%

22.8 cents

31 Dec 19: 21.9 cents

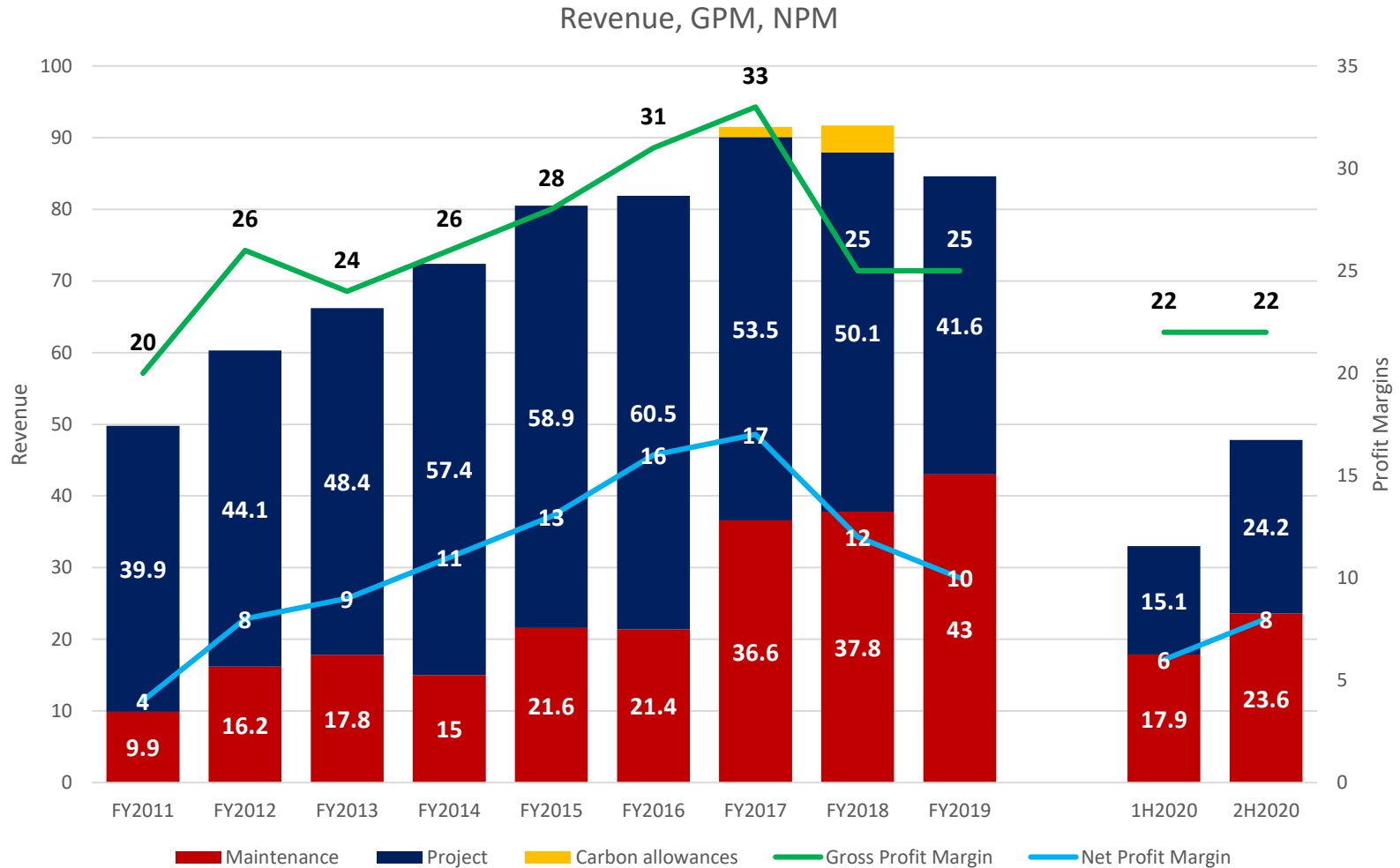
Financial Review

SS'000	Unaudited 2H2020	Unaudited 1H2020	Change (%)	Unaudited 12M2020	Audited 12M2019	Change (%)
Revenue	47,779	33,015	45	80,794	84,627	(5)
Gross Profit	10,736	7,227	49	17,963	21,274	(16)
Gross Profit Margin ⁽¹⁾	22%	22%	-	22%	25%	(3) ppts
Net Profit after Tax	3,612	1,870	93	5,482	8,480	(35)
Net Profit Margin	8%	6%	2 ppts	7%	10%	(3)Ppts
EBITDA	7,569	4,447	70	12,016	13,500	(11)
EBITDA Margin	16%	13%	3ppts	15%	16%	(1)Ppts
EPS (cents) ⁽²⁾	0.9	0.5	80	1.4	2.2	(36)

(1) Excluding the government grants such as wage credit scheme, jobs support scheme, foreign workers rebate, the gross profit margins were 17.3%, 18.7%, 15.8% and 24% for 2H20, 1H20, 12M20 and 12M19.

(2) Computed based on weighted average number of 389,677,000 ordinary shares for 2H20 (1H20: 390,932,100 ordinary shares) and 390,301,000 ordinary shares for 12M20 (12M19: 392,145,000 ordinary shares)

Financial Review



Balance Sheet Highlights

S\$'000	Unaudited as at 31 December 2020	Audited as at 31 December 2019
Current Assets ⁽¹⁾	100,055	97,277
Non-current Assets	67,994	64,560
Current Liabilities ⁽²⁾	67,026	63,044
Non-current Liabilities	12,187	12,895
Total Equity	88,836	85,898
Cash and Cash Equivalents	57,512	43,200
Net Asset Value per share (cents) ^[3]	22.8	21.9

^[1] Included asset held for sale of nil (31 Dec 19: \$8.1m) for the properties for sale.

^[2] Included liabilities held for sale of nil (31 Dec 18: \$3.0m)

^[3] Computed based on number of 388,900,000 (31 Dec 19: 391,904,000) ordinary shares, excluding treasury shares

Financial Review

	As at end of								
S\$'000	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Total Borrowings	26,834	21,539	25,320	32,155	28,085	46,612	48,807	44,069	45,873
Cash and Cash Equivalents	23,965	14,852	32,799	35,566	32,325	40,291	39,232	43,200	57,512
Net Debt/(Cash)	2,869	6,687	(7,479)	(3,411)	(4,240)	6,321	9,575	869	(11,639)
Net Gearing Ratio⁽¹⁾	10%	19%	-19% ⁽²⁾	-10% ⁽²⁾	-11% ⁽²⁾	13% ⁽³⁾	19% ⁽⁴⁾	2% ⁽⁵⁾	-20% ⁽²⁾⁽⁶⁾

(1) Computed based on (Total Borrowings less Cash and Cash Equivalents / Total Equity less Goodwill) x 100%

(2) Negative due to the Group being in a Net Cash position

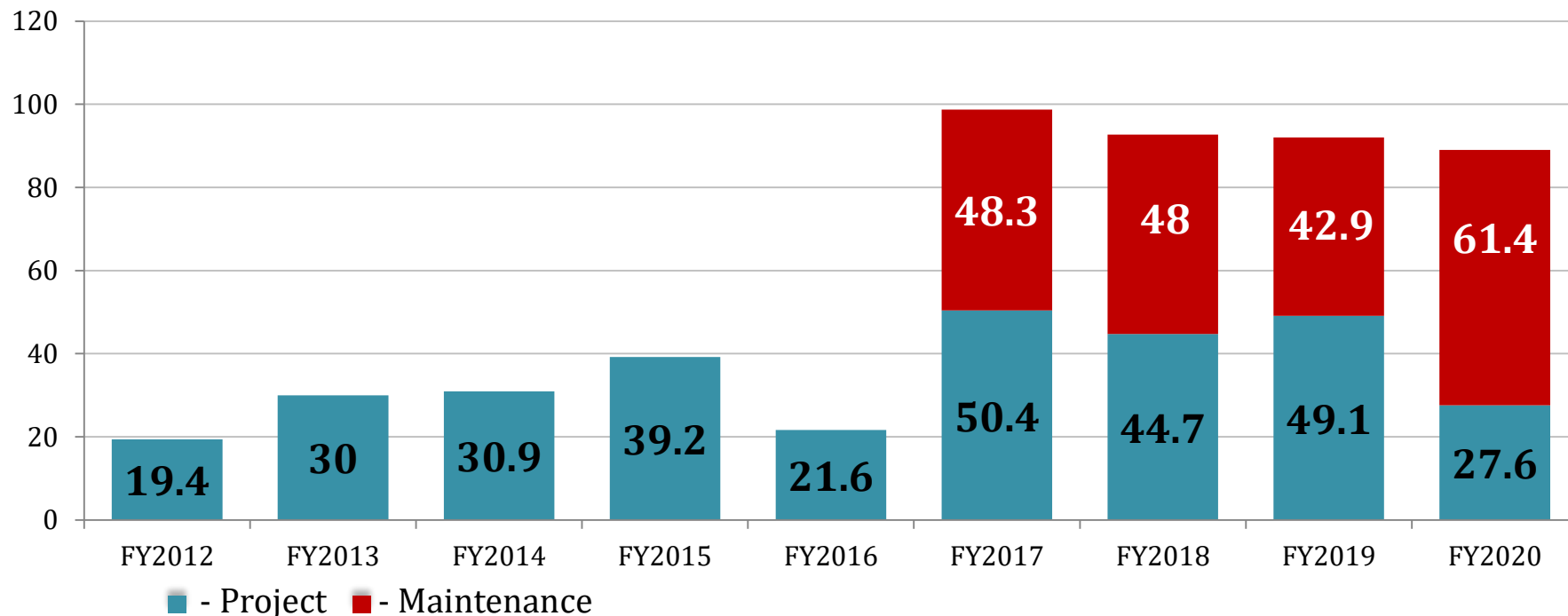
(3) Increase due to \$21million loan from the acquisition of Ensure in April 2017

(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) Net cash on 27 February 2021 was \$14.4 million

Order Book Summary (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.

The estimated order book as of 28 February is \$99.0 million.

Recent Contract Wins

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.

Aug 7, 2020 - Total value: **S\$24.5m**

- Precision Engineering and System Integration: capital contracts from new and repeat customers for machining and mechanical assembly and overhaul of valves remote control and tank gauging systems.
- Scaffolding, Insulation, Petrochemical and Cleanroom: maintenance contracts from repeat customers from the petrochemical, infrastructure and semiconductor industries for insulation and scaffolding works and mechanical and tools hook-up services

Scaffolding: Multiheight Scaffolding Pte Ltd

Precision Engineering: Avitools (Suzhou) Co. Ltd

Petrochemical: Ensure Engineering Pte Ltd

System Integration: Nordic Flow Control Pte Ltd

Insulation: Austin Energy (Asia) Pte Ltd

Cleanroom, Air and Water: Envipure Pte Ltd

Recent Contract Wins

Mar 13, 2020 - Total value: S\$30.4m

- Precision Engineering and System Integration: capital contracts from new and repeat customers for machining and mechanical assembly and overhaul of valves remote control and tank gauging systems.
- Scaffolding, Insulation, Petrochemical and Cleanroom: maintenance contracts from repeat customers from the petrochemical, infrastructure and semiconductor industries for insulation and scaffolding works and mechanical and tools hook-up services

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System Integration: Nordic Flow Control Pte Ltd

Insulation: Austin Energy (Asia) Pte Ltd

Cleanroom, Air and Water: Envipure Pte Ltd

Sale of Properties

- 24 Benoi Place (land area: 39,052 sq ft; gross floor area: 45,090 sq ft; Tenure: 10 years ending December 2030)
- 133 Tuas View Square (land area: 7,231 sq ft; gross floor area: 10,200 sq ft; 5 years commercial dormitory license from April 2019; Tenure: 35 years ending year 2056)

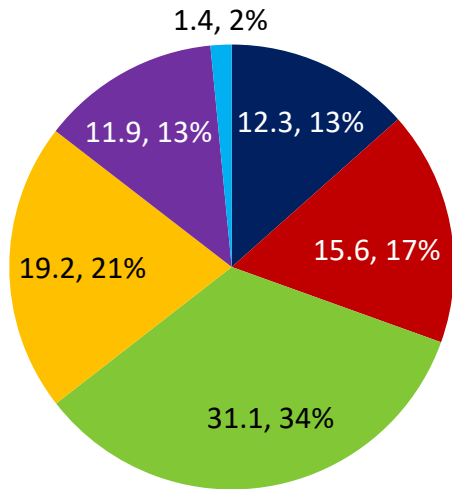


Covid-19 Recovery

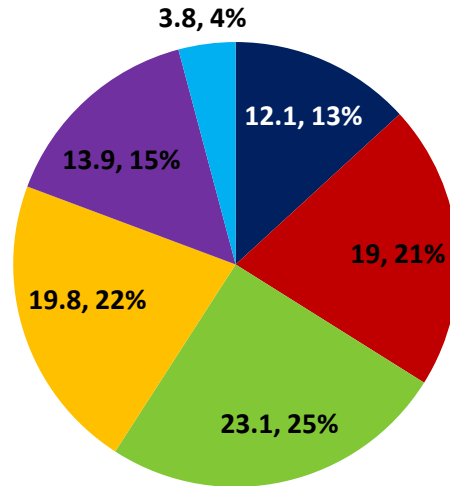
- The Group's businesses and performance have been impacted and disrupted by a slowdown in economic activities due to the Covid-19 pandemic.
- All entities have resumed work with some disruptions from quarantine orders at times since 2H2020
- We remain optimistic with the contract wins secured to date, the prudent cost and risk management initiatives undertaken and the opportunities for M&A, *Nordic Group will continue to deliver value to shareholders.*

Diversified Model – Improved Earnings Quality

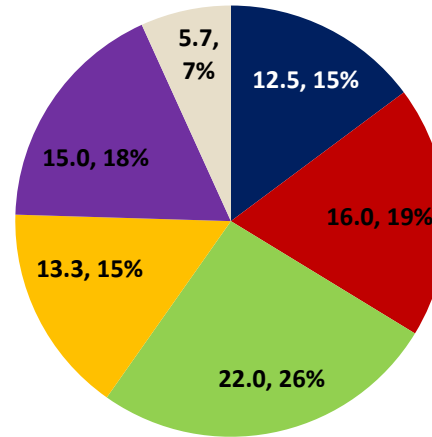
FY2017



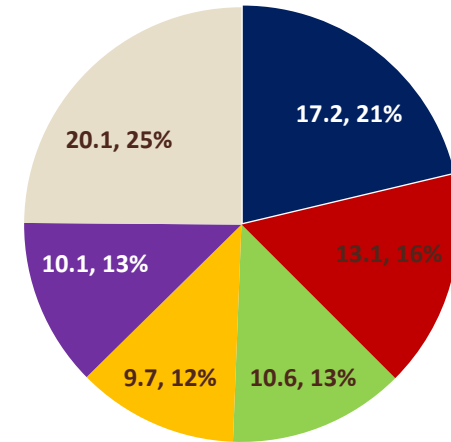
FY2018



FY2019



FY2020

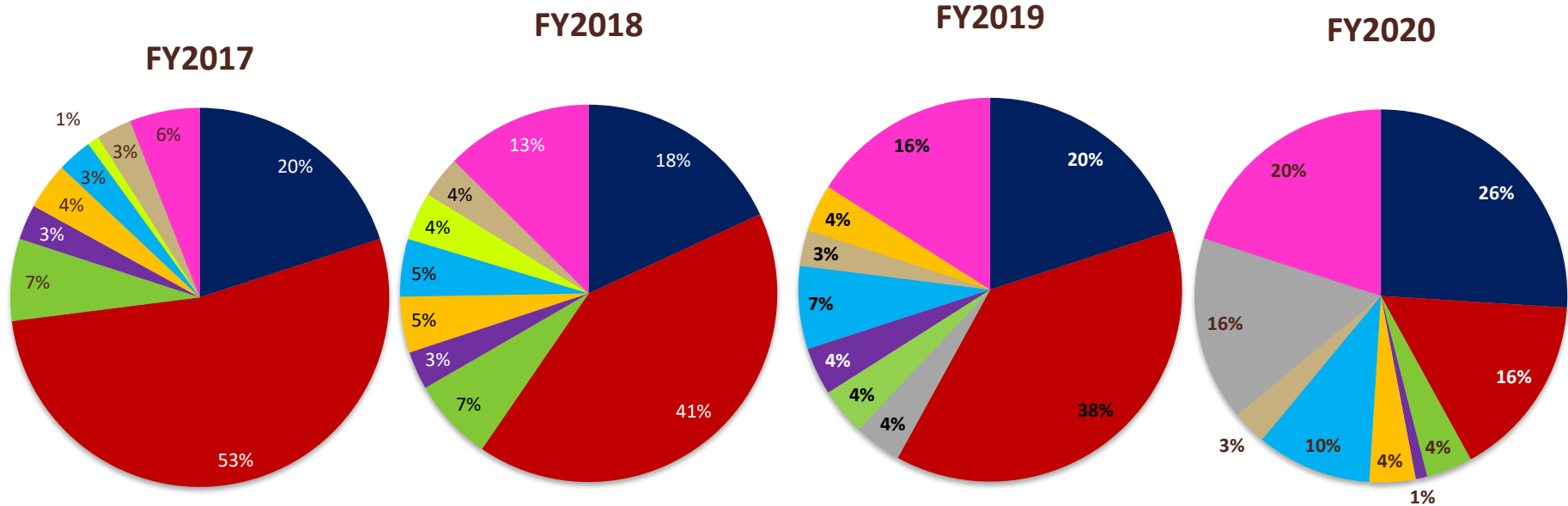


- System Integration / MRO & Trading
- Scaffolding Services
- Insulation Services
- Precision Engineering
- Petrochemical and Environmental Services
- Carbon allowances
- Cleanroom, Air & Water

Revenue Contribution by Services

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

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.



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

Revenue Contribution by Industry

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.

Investment Merits

Established Market Player

Strong track record, performing above industry average

Established Management with Proven Track Record

Management with keen foresight and proven track record of:

- Leading the Group to achieve consistent performance despite market volatilities
- Successful acquisition and smooth integration of entities acquired
- Successful acquisitions that have enhanced Group earnings

Healthy Order Book

Order book of approximately **S\$99 million** on hand, including maintenance contracts.

Dividend Payout

- Half-yearly dividend payout from FY15
- ~ **40%** dividend payout policy
- FY20 dividend: **0.549 cents**

Earnings Quality

Volatile project earnings supplemented by more stable recurring maintenance income from Scaffolding Services, Insulation Services, Petrochemical and Environmental Engineering Services and Cleanroom, Air and Water engineering services

Dividend Payout

Payment date	Financial Year	Final / Interim / Special	Amount per share (cents)	Payout ratio
May, 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	
Sep 8, 2015		Interim	0.40	
May 21, 2015	2014	Special	0.25	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			8.1532	

Nordic's Share Buyback – renewed on 26 April 2019 AGM

MONTH OF ACQUISITION	QUANTITY	CUMULATIVE VOLUME	CUMULATIVE % OF TOTAL NO OF ISSUED SHARES **
<i>Share Buyback by way of Market Acquisition</i>			
September 2015	1,086,500	1,086,500	0.27
October 2015	1,800,100	2,886,600	0.72
November 2015	346,400	3,233,000	1.47
December 2015	1,436,200	4,669,200	1.54
January 2016	479,000	5,148,200	1.29
March 2016	352,000	5,500,200	1.37
April 2016	397,500	5,897,700	1.47
May 2016	275,100	6,172,800	1.54
June 2016	95,000	6,267,800	1.57
July 2016	117,000	6,384,800	1.60
August 2016	20,000	6,404,800	1.60
September 2016	119,500	6,524,300	1.63
October 2016	211,300	6,735,600	1.68
November 2016	8,000	6,743,600	1.69
December 2016	81,000	6,824,600	1.71
May 2017	30,500	6,855,100	1.71

Source : SGX Announcement

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



Nordic's Share Buyback – renewed on 26 April 2019 AGM

MONTH OF ACQUISITION	QUANTITY	CUMULATIVE VOLUME	CUMULATIVE % OF TOTAL NO OF ISSUED SHARES **
<i>Share Buyback by way of Market Acquisition</i>			
June 2017	32,000	6,887,100	1.72
March 2018	53,000	6,940,100	1.74
April 2018	15,000	6,955,100	1.74
September 2018	208,300	7,163,400	1.79
November 2018	186,300	7,349,700	1.84
December 2018	131,200	7,480,900	1.87
May 2019	477,100	7,958,000	1.99
June 2019	138,500	8,096,500	2.02
March 2020	1,290,600	9,387,100	2.35
April 2020	421,900	9,809,000	2.45
September 2020	455,300	10,264,300	2.57
October 2020	500,000	10,764,300	2.69
November 2020	242,100	11,006,400	2.75
December 2020	93,600	11,100,000	2.78
January 2021	175,000	11,275,000	2.82
February 2021	268,000	11,543,000	2.89
VOLUME WEIGHTED AVERAGE PRICE		S\$0.2162	

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%

24 February 2021 :

Director / Executive Officer	No. of shares held	% shareholdings*
Chang Yeh Hong	218,017,325	56.12%
Eric Lin Choon Hin	44,050,000	11.34%
Dorcas Teo Ling Ling	32,319,500	8.32%
Lee Kok Keng Andrew	1,061,800	0.27%
Chia Meng Ru	1,871,600	0.48%
	297,320,225	76.53%

* Calculated based on 388,457,000 ordinary shares

Thank You

For more information, please contact

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