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Nordic’s FY2024 net profit rises 10% yoy to S\$17.5 million

- **2H2024 revenue at S\$82.2 million grew by 15% year-on-year (“yoy”), primarily driven by a strong recovery in project services following the successful orderbook replenishment in 1H2024**
- **Gross profit in 2H2024 grew 33% yoy to S\$19.1 million, largely driven by higher revenue from projects**
- **Underpinned by a stronger second half, net profit jumped by 53% in 2H2024 to S\$9.0 million from S\$5.9 million in 2H2023**
- **Proposes final dividend of 0.8987 Singapore cent per ordinary share, following an interim dividend paid of 0.8526 Singapore cent per ordinary share, collectively translating to a dividend payout ratio of 40% and a dividend yield of 5%¹ for FY2024**

Singapore, 27 February 2025 – Nordic Group Limited (“Nordic” or together with its subsidiaries, the “Group”), an SGX-Mainboard listed company reported its financial results for the six months (“2H2024”) and full year ended 31 December 2024 (“FY2024”). The Group is a global engineering solutions provider that provides project and maintenance services for industries such as marine, offshore oil and gas, petrochemical, pharmaceutical, semiconductor, infrastructure, public environment and security agencies.

Financial Highlights	2H2024	2H2023	Change	FY2024	FY2023	Change
	S\$’000	S\$’000	%	S\$’000	S\$’000	%
Revenue	82,226	71,231	15	158,386	160,644	(1)
Gross Profit	19,056	14,317	33	36,674	36,412	1
Gross Profit Margin	23.2%	20.1%	3.1 ppts	23.2%	22.7%	0.5 ppts
Net Profit after Tax Attributable to Equity Holders	8,988	5,877	53	17,513	15,977	10
Net Profit Margin	10.9%	8.3%	2.6 ppts	11.1%	9.9%	1.2 ppts
EBITDA	14,515	12,444	17	28,578	27,458	4
EBITDA Margin	17.7%	17.5%	0.2 ppts	18.0%	17.1%	0.9 ppts
Basic Earnings Per Share (cents)*	2.3	1.5	53	4.4	4.0	10

* Based on weighted average number of 399,107,000 ordinary shares for 2H2024 (2H2023: 399,736,000 ordinary shares), and 399,367,000 ordinary shares for FY2024 (FY2023: 399,736,000 ordinary shares),
Ppts: Percentage Points

¹ Calculated based on share price of S\$0.33 as of 24 February 2025

Financial Review for 2H2024 vs 2H2023

The Group delivered a commendable set of results in 2H2024, with diversified business operations at its core, and strategically prioritising maintenance services to generate a more stable recurring income that defined its increased efforts against cyclical risks. In addition, the strong recovery in project services following the successful orderbook replenishment in 1H2024 has also accelerated the Group's recovery path.

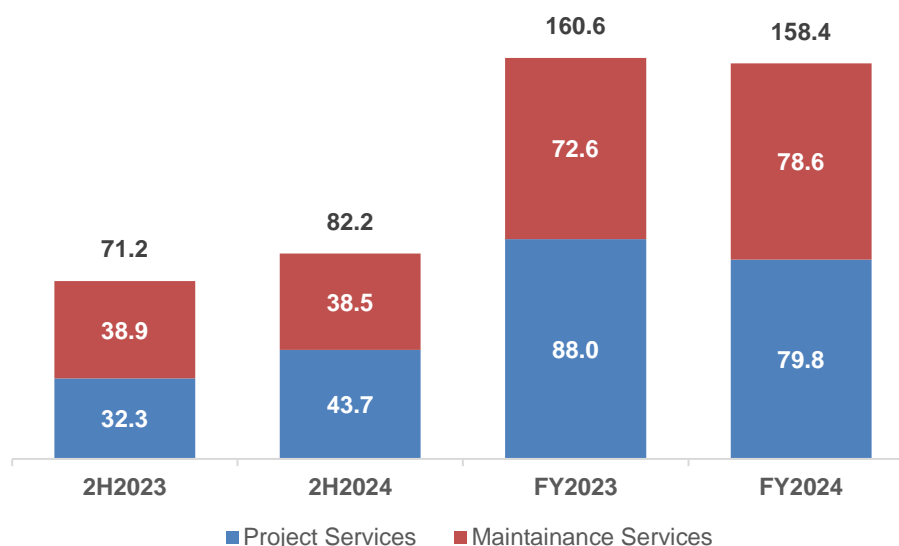
2H2024 recorded a revenue of S\$82.2 million, which is a growth of 15% yoy. This increase was mainly due to a 35% increase in revenue from its project services ("PS") business, supported by more projects in the pipeline in Singapore and Malaysia. The revenue for the maintenance services ("MS") business segment remained relatively the same yoy. This translated into a 33% growth in gross profits and a 3.1 ppts increase in gross profit margin.

Other income and gains dropped by 57% yoy from approximately S\$4.1 million in 2H2023 to around S\$1.8 million in 2H2024, mainly due to a one off write-back of contingent liabilities arising from the acquisition of Starburst Group and property disposal gains recorded in 2H2023. The foreign exchange gains of \$1.0 million in 2H2024 and increase in interest income of \$0.2 million partially offset this decrease.

Distribution costs increased by approximately S\$0.4 million or 72% yoy to S\$0.9 million in 2H2024, mainly attributable to higher overall salary costs. Effective income tax rates dropped from approximately 27% for 2H2023 to 11% for 2H2024, due to utilisation of merger & acquisition ("M&A") allowance, unutilised capital allowances carried forward and over recognition of income tax expense.

Consequently, the Group reported a year-on-year increase of 53% in net profit to S\$9.0 million for 2H2024. Net profit margin grew accordingly from 8.3% in 2H2023 to 10.9% in 2H2024.

Revenue by Business Segment (S\$m)



Financial Review for FY2024 vs FY2023

Revenue in FY2024 experienced a small dip of 1% from S\$160.6 million to S\$158.4 million, mainly due to the completion of certain projects as well as the delay in other projects in Singapore and Malaysia. This was partially offset by steady growth in maintenance services throughout the year and a strong rebound in project services in 2H2024, following the successful orderbook replenishment in 1H2024. Despite the dip in revenue, gross profits increased marginally by 1% yoy, reflecting the higher revenues from projects and cost efficiencies.

As a result, net profit grew 10% yoy to S\$17.5 million in FY2024, with net profit margin rising 1.2 ppts to 11.1%.

The Board is recommending a final dividend of 0.8987 Singapore cent per ordinary share. Together with the interim dividend of 0.8526 Singapore cent already paid, the Group's total dividend for FY2024 sums up to 1.7513 Singapore cents, equivalent to a dividend payout ratio of 40% and a dividend yield of 5%.

Business Outlook

The Group continues to maintain a strong position in outstanding orders as it holds an orderbook amounting to S\$201.6 million as of 31 December 2024. Strategically, the Group has prioritised the acquisition of more maintenance contracts to increase the recurring portion of its revenue, which is reflected by the MS business segment contributing to 58% of the orderbook.

High interest rates, geopolitical tensions and inflationary pressures globally posed some near-term headwinds to the Group's operations. The completion of certain large projects and the longer tenure of new projects may also pose some pressures on the results of the Group in the next 12 months. However, the Group remains positive over the long-term prospects in the marine, offshore oil and gas, petrochemical, pharmaceutical, infrastructure, semiconductor and security agencies sectors.

The Group holds optimistic long-term growth projections in key industries, such as the marine vessel market which is expected to grow at a CAGR of 5.6% by 2032² and the semiconductor industry at a CAGR of 14.9% by 2032³. These expected industry growth rates point towards sustained market expansion, which supports long-term business growth by creating more opportunities for revenue and market share gains.

The Group is optimistic with the contract wins secured to date, the prudent cost and risk management initiatives undertaken, the acquisition of Avon Industries Pte Ltd and the opportunities for further M&A. The Group will continue to strive to deliver greater value to shareholders in the long run.

End

² <https://www.fortunebusinessinsights.com/marine-vessel-market-102699> updated 10 February 2025

³ <https://www.fortunebusinessinsights.com/semiconductor-market-102365> updated 10 February 2025

About Nordic Group Limited (Bloomberg Code: NRD SP)

Established in 1998, Nordic is a global engineering solutions provider in areas of system integration solutions, vessel maintenance, repair and overhaul (MRO), precision engineering, scaffolding and insulation services, petrochemical, environmental engineering services, cleanroom, air and water engineering services and structural engineering and construction services, serving mainly the marine, offshore oil and gas, petrochemical, pharmaceutical, infrastructure, public environment/security agencies and semiconductor industries.

Headquartered in Singapore, Nordic currently has one production facility located in Suzhou, the People's Republic of China ("PRC") and also has operations in Malaysia. Nordic has a sales and services network that covers Singapore and various locations in the PRC as well as an international network of appointed sales and service agents, which allows the Group to be in close proximity to its customers.

Designed to meet the demands of vessel automation, the Group's **System Integration** division offers integrated control and management systems for newly built ships as well as ships which are already in operation but are in need of upgrades and conversions. These systems are versatile and dependable ship automation solutions that provide a standard user-friendly interface to the subsystems of modern vessels.

Nordic also designs, procures, develops and manufactures actuators, valves and other components for assembly and integration into valve remote control systems, tank gauging systems, anti-heeling systems, alarm monitoring and power management systems used by customers in their vessels.

Under its **Maintenance, Repair and Overhaul ("MRO")** and Trading division, Nordic provides customers with a dedicated team of consultants who are responsible for any after-sales requests for maintenance, repairs and overhauls as part of its after-sales service. The MRO and Trading division provides the Group with a steady stream of income as there is a constant need for vessels to be maintained or repaired.

The Group's **Precision Engineering** division designs and builds tooling systems, and provides turnkey production solutions to customers in the marine, oil and gas, aerospace, medical, electronic, and optical manufacturing services industries for a stable customer base.

The Group's **Scaffolding Services** division is an established leader in metal scaffold works servicing the Process, Construction and Marine industries. Multiheight Group offers a full suite of scaffolding services including design, erection, modification and dismantling, sales and rental. Multiheight Group has two decades of scaffolding experience and is an MOM-approved scaffold contractor committed to high standards of Quality, Safety and Health (QSH) practices and standards throughout the organisation, warehouse, workshop, on site and all activities carried out by the organisation.

The Group's **Insulation Services** division specialises in Insulation (primarily in thermal and cryogenic insulation) and passive fireproofing Services in the petrochemical, pharmaceutical, marine and oil and gas Industries.

The Group's **Petrochemical & Environment Engineering Services** provides repairs, maintenance, operations and plant turnaround services for public environment engineering installations, energy installations, marine and offshore industries, manufacturing industries, and oil & gas and petrochemical industries.

The Group's **Cleanroom, Air and Water Engineering Services** provides tools hook up services, air pollution control scrubbers and water treatment plants for the semiconductor, oil and gas, power plant and municipality sectors.

The Group's **Structural Engineering and Construction Services** division offers a range of services. These include the design, fabrication, installation, and maintenance of anti-ricochet ballistic protection systems. These systems are used in tactical training facilities by security agencies. Additionally, it provides fuel refuelling hydrants and systems for refuelling and dispensing. These services cater to both military and commercial clients.

Issued for and on behalf of Nordic Group Limited

By Financial PR Pte Ltd

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