

# NORDIC GROUP LIMITED

5 Kwong Min Road  
Singapore 628708  
[www.nordicflowcontrol.com](http://www.nordicflowcontrol.com)



## PRESS RELEASE

# Nordic achieves 60% rise in 9M2014 net profit to \$5.3 million

- *Healthy 12% rise in revenue to \$51.9 million; gross profit increase 22% to \$17.4 million*
- *Strong financial position with cash and cash equivalents of \$17.5 million*
- *Bouyant order book of \$40.7 million provides visibility to revenue and earnings over the next 24 months*

### *For the period ended 30 September 2014*

S\$'million	3Q2014	3Q2013	Change (%) <sup>1</sup>	9M 2014	9M 2013	Change (%) <sup>1</sup>
Revenue	19.6	18.7	5	51.9	46.5	12
Gross Profit	5.9	5.3	11	17.4	14.3	22
Gross Profit Margin (%)	30.1	28.4	1.7 pts	33.6	30.9	2.5 pts
Net Profit	2.0	1.3	50	5.3	3.3	60
EPS (Cents) <sup>2</sup>	0.5	0.3	66.7	1.3	0.8	62.5

1. Any discrepancies in the percentages are due to rounding

2. EPS is based on 400,000,000 weighted average number of ordinary shares

**SINGAPORE – 12 November 2014 – Nordic Group Limited** (挪迪克集团有限公司), a Singapore-based supplier of automation system integration solutions, vessel maintenance, repair and overhaul (MRO), precision engineering and scaffolding services serving mainly the marine, offshore oil and gas and petrochemical industries, today announced a strong set of results with net profit increasing 60% to \$5.3 million for the nine months ended 30 September 2014 (9M2014), as the Group continues to see an upswing in its operations.

Underpinned by a robust performance in its System Integration, MRO & Trading and Precision Engineering business segments, Nordic's revenue grew 12% to \$51.9 million in 9M2014 from \$46.5 million in 9M2013. Sales contribution from these business segments increased 30.3%, 28.6% and 17.9% respectively.

In 9M2014, the Group's gross profit increased 22% to \$17.4 million from \$14.3 million the year before. This was achieved as Nordic undertakes its productivity drive and shuffles its resource allocation to higher margin projects. On the back of these initiatives, the Group registered a 2.5 percentage point increase in its gross profit margin.

Ending the quarter with a healthy balance sheet, its cash and cash equivalents amounted to \$17.5 million as at 30 September 2014, significantly up from \$14.9 million as at 31 December 2013.

Said Mr Chang Yeh Hong (张业宏), Chairman of Nordic Group, "Nordic has delivered a commendable set of results in 9M2014, achieving robust earnings and profit growth by winning more projects and achieving better project cost management. The Group will not let up in its pursuit of clinching more projects and developing and expanding its products and services range to put Nordic at the forefront of its business segments to deliver value for shareholders."

Based on the weighted average number of 400,000,000 shares, the Group's Earnings Per Share for 9M2014 rose 62.5% to 1.3 Singapore cents from 0.8 Singapore cents in 9M2013, and its Net Asset Value as at 30 September 2014 improved to 12.6 Singapore cents compared to 11.5 Singapore cents at 30 September 2013.

### **3Q2014**

On a quarterly basis, Nordic's revenue increased 5% to \$19.6 million in 3Q2014 from \$18.7 million in 3Q2013. Akin to its 9M2014 figures, this was achieved from higher revenue contributions from its System Integration, MRO & Trading and Precision Engineering business segments. At the same time, it registered an 11% increase in gross profit, and a 1.7 percentage point increase in gross profit margin. Similarly, its Scaffolding Services business segment suffered a slight dip in revenue contribution to \$5.9 million from \$7.4 million the year before.

## **Order book**

Going forward, the Group is positive about its long term prospects in the marine, offshore oil & gas petrochemical industries. Providing evidence for this, the Group's order book stands at a healthy \$40.7 million to be delivered within the next 24 months.

Nordic's System Integration and MRO & Trading business segments continue to maintain a strong combined order book for its existing product and services. Having launched new products and solutions this year to increase its product width, the segments are poised for further growth, and the Group will devote sufficient resources in sales and marketing efforts to fuel new orders. Nordic's System Integration business will continue to develop products and systems to meet the increasing market demand in the offshore and oil & gas sectors.

The Group's Precision Engineering segment aims to grow its revenue and profit contribution by building on its established customer relationships to expand its service offerings.

Even as its scaffolding business rake in healthy margins, the Group is pushing ahead with its productivity drive in this labour-intensive segment to combat rising manpower and labour shortage. The Group will look to explore new methods and tools to reduce its reliance on manpower constraints on business capacity.

## **Issued for and on behalf of Nordic Group Limited:**

### **August Consulting**

For more information please contact:

Dinesh Dayani – [dinesh@august.com.sg](mailto:dinesh@august.com.sg)

Tel: 6733 8873 Fax: 6733 9913

### **About Nordic Group Limited**

*Established in 1998, Nordic is an automation system integration solutions provider serving mainly the marine and offshore oil and gas industries. Headquartered in Singapore with two production facilities located in Suzhou, the People's Republic of China ("PRC"),*

Nordic has a sales and marketing network that covers Singapore and various locations in the PRC, 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, repaired and overhauled.

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

Multiheight Group fronts the Group's **Scaffolding Services business**, and is an established leader in metal scaffold works servicing the Process, Construction and Marine industries. The Group offers a full suite of scaffolding services including design, erection, modification and dismantling, sales and rental. The 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.