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ISOTeam's HY2020 net attributable profit up 31.7% to S\$2.8m on sales of S\$63.8m

- Strong order book of S\$133.3 million as at 31 January 2020 to be delivered over the next two years
- New sources of income expected with the completed acquisition of Pure Group and assets of Singapore Mobike in January 2020
- Successfully completed recent fundraising from strategic investor, Taisei Oncho Co., Ltd.

Financial Highlights for the three months and six months ended 31 December

S\$'m	2QFY20	2QFY19	Chg (%)	HY2020	HY2019	Chg (%)
Revenue	35.5	45.9	(22.6)	63.8	73.1	(12.8)
– Repairs & Redecoration ("R&R")	8.4	5.2	62.0	17.8	9.6	85.3
– Addition & Alteration ("A&A")	14.2	30.5	(53.4)	24.2	45.5	(46.8)
– Coating & Painting ("C&P")	4.0	4.1	(2.0)	8.4	6.9	20.6
– Others +	8.9	6.1	45.3	13.4	11.1	20.6
Gross profit	4.8	5.3	(9.7)	9.7	10.2	(4.5)
Profit before tax	1.6	1.7	(6.7)	2.7	2.4	13.2
Net profit for the period	1.3	1.3	0.6	2.1	1.7	22.7
Profit attributable to equity holders	1.7	1.3	24.1	2.8	2.1	31.7
Earnings per share* (Singapore cents)	0.58	0.47	23.4	0.98	0.75	30.7

*Based on the weighted average number of ordinary shares in issue of 284,725,505 in 2QFY2020 and HY2020 (2QFY2019: 284,623,662; HY2019: 284,035,546)

+ Include revenue from commercial interior design ("ID"), home retrofitting business, landscaping works, leasing service, waterproofing, green solution business, mechanical & electrical engineering works and handyman service

SINGAPORE, 13 February 2020 – ISOTeam Ltd. ("ISOTeam" or together with its subsidiaries, the "Group"), an established and leading player in Singapore's building maintenance and estate upgrading industry, has achieved a 31.7% year-on-year ("YOY") increase in net attributable profit to S\$2.8 million despite a decline of 12.8% YOY in revenue to S\$63.8 million for the six months ended 31 December 2019 ("HY2020").

During the period under review, the Group generated double digit revenue growth across its Repairs & Redecoration ("R&R"), Coating & Painting ("C&P") and Others segments, the most significant of



which came from the R&R segment, which grew 85.3%, while the C&P and Others segment both expanded by 20.6% each.

The Group's gross profit decreased in tandem with the lower revenue, falling 4.5% YOY to S\$9.7 million in HY2020. However gross profit margin rose to 15.2% in HY2020 as compared to 13.9% achieved in the corresponding six months in 2018 ("**HY2018**") mainly due to the higher margin contributions of the R&R and Others segments.

The Group's other income increased 196.5% YOY to S\$1.2 million in HY2020 arising from a gain on disposal of plant and equipment and higher government grants, while marketing and distribution expenses fell 27.2% to S\$0.5 million mainly due to a decrease in motor vehicles related expenses.

The Group's earnings per share for HY2020 was 0.98 Singapore cents per share (HY2019: 0.75 Singapore cents), while net asset value per share was 20.77 Singapore cents as at 31 December 2019 (30 June 2019: 20.20 Singapore cents). Cash and cash equivalents stood at S\$6.4 million as at 31 December 2019 (30 June 2019: S\$9.0 million).

Since the start of FY2020, ISOTeam's project wins have been gaining traction. As at 31 January 2020, the Group's order book amounted to S\$133.3 million worth of projects to be delivered over the next two years, including its first MRT station project to supply, install, construct, complete and maintain the architectural works for Lentor MRT station as well as maintenance to key landmarks such as the Istana and Fort Canning Park and the Singapore Botanic Gardens.

Corporate Updates

Towards the end of 2019, ISOTeam embarked on a fund raising exercise that comprised the placement of shares as well as the issuance of warrants, and shares to its Tokyo-based partner, Taisei Oncho Co., Ltd ("**TOC**"), which already holds 34.1% of one of the Group's subsidiary companies, ISO Integrated M&E. The total net proceeds of approximately S\$21.5 million will be used for funding the Group's



intended acquisitions as well as for working capital needs. According to the Group, the injection of funds from TOC was a clear sign of confidence from its partner.

Meanwhile in January 2020, ISOTeam completed its acquisition of The Pure Group entities¹ as well as assets in Singapore Mobike Pte. Ltd.². Both are significant milestones for the Group with the former broadening ISOTeam's capabilities to include consultancy and turnkey projects and also an enlargement of its regional presence to now encompass the Philippines, China, Malaysia and Thailand, while the latter has paved the way for ISOTeam's 51%-owned subsidiary SG Bike Pte Ltd, to become the largest bike-share operator in Singapore.

Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发) said: *"With the proceeds from our recent fund raising exercise, we now have a war-chest to support our future growth plans. We will continue to leverage our core strengths to ensure the long-term sustainability and continuity of the Group. The integration of The Pure Group entities is an important aspect of this as we can now be involved in the whole project value chain from conceptualisation to construction delivery, handling the process from start to finish and we can do so across the region. It is an attractive proposition for potential clients as we can offer faster turnaround and higher cost savings by eliminating the need to call for tenders or to hire sub-contractors.*

"We are optimistic that our recent corporate developments will contribute positively to our future growth even as we continue to aggressively tender for new projects."

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¹ ***"ISOTeam Strengthens Commercial And Retail Fitting-Out Capabilities And Enlarges Regional Presence With Proposed Acquisition Of Pure Group"*** – 24 July 2019

(http://isoteam.listedcompany.com/newsroom/20190724_063935_5WF_6CX58F2EJY1ULCRP.2.pdf)

² ***"Proposed Acquisition Of Assets In Singapore Mobike Pte. Ltd."*** – 9 August 2019

(http://isoteam.listedcompany.com/newsroom/20190809_133316_5WF_5SAJ0UUBSAPIORI.1.pdf)



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About ISOTeam Ltd.

Founded in 1998 and listed on Catalist of the Singapore Exchange Securities Trading Limited (**SGX-ST**) Ticker: 5WF) on 12 July 2013, ISOTeam Ltd. is an established player in Singapore's building maintenance and estate upgrading industry with 20 years of Repairs & Redecoration (**R&R**) and Addition & Alteration (**A&A**) experience. We have successfully undertaken more than 400 refurbishment and upgrading projects for well over 4,000 buildings and counting since inception. ISOTeam also offers specialist Coating & Painting (**C&P**) services as well as complementary niche services (**Others**) through its specialist waterproofing, commercial interior design and home retrofitting, landscaping, access equipment leasing, green solutions, mechanical & electrical engineering works and handyman service subsidiaries. An eco-conscious company, we integrate green methodologies in our projects, and actively work with strategic partners and technology companies to develop and commercialise green solutions / products. ISOTeam's major customers include town councils, government bodies, and private sector building owners. For more information, please visit www.isoteam.com.sg.

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*ISOTeam Ltd. (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 12 July 2013. The initial public offering of the Company was sponsored by Hong Leong Finance Limited (the "**Sponsor**").*

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