



## **A NEW PHASE OF GROWTH**

Corporate Presentation  
2Q and Half Year FY2020  
February 2020

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**Notice:**

*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”). This presentation has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST.*

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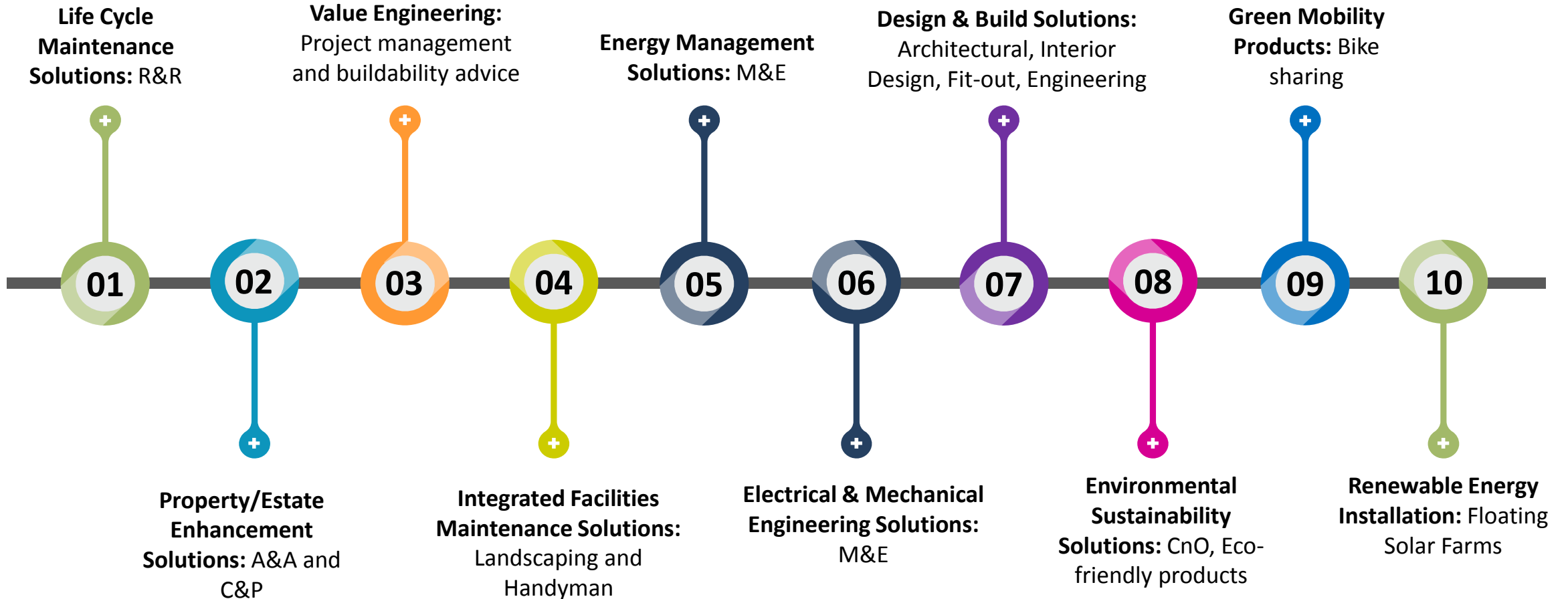


# Business Highlights

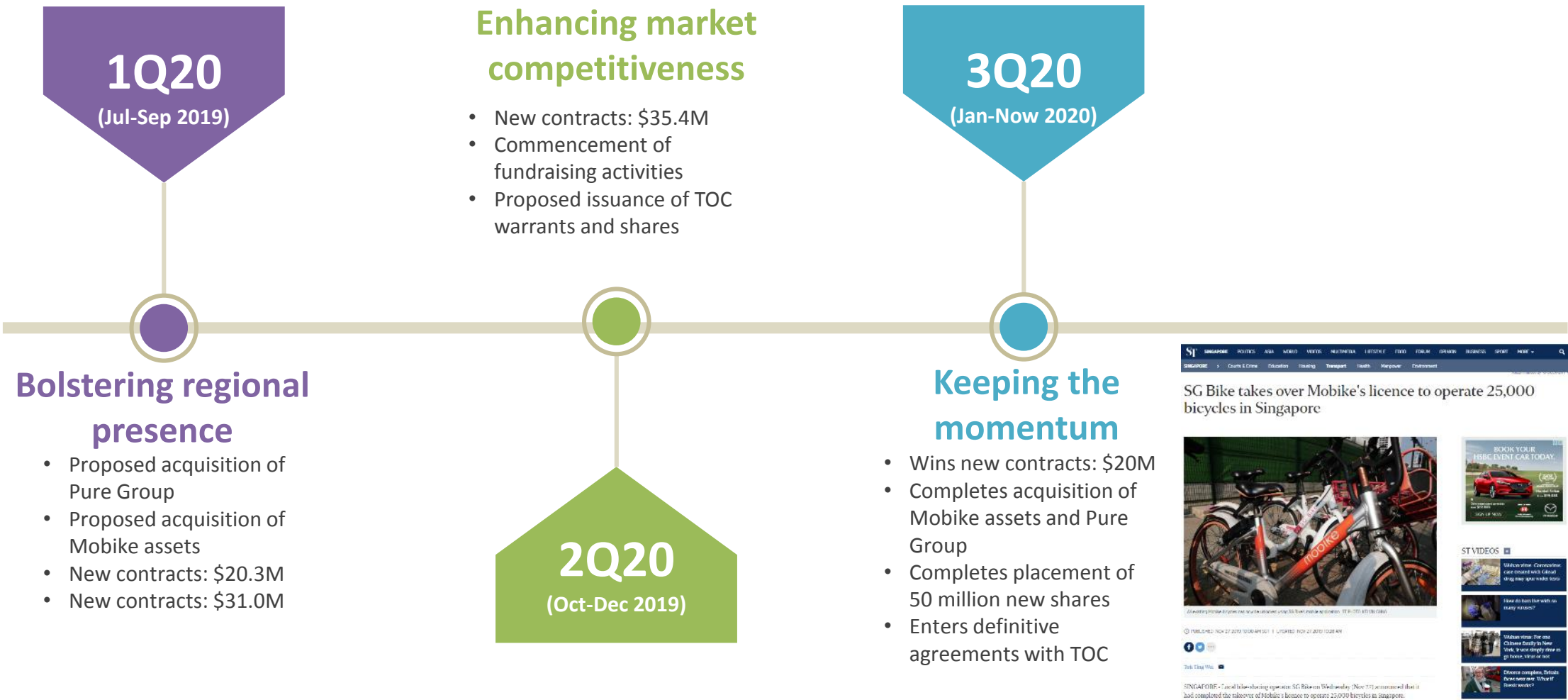


# Multi-disciplinary Capabilities

We provide sustainable solutions for a better built environment



# A Recap of FY2020



# Corporate Structure (As of 31 December 2019)

<b>Raymond Construction Pte Ltd</b> ▶ Addition & Alteration	100%		
<b>ISO-Team Corporation Pte Ltd</b> ▶ Addition & Alteration; Repair & Redecoration	100%		
<b>TMS Alliances Pte. Ltd.</b> ▶ Repair & Redecoration	100%	5 subsidiaries upon listing involved mainly in R&R- and A&A- related works	
<b>ISOteam Green Solutions Pte. Ltd.</b> ▶ Eco-friendly solutions/ products	100%		
<b>ISO-Seal Waterproofing Pte. Ltd.*</b> ▶ Reroofing; Waterproofing	100%		
<b>Zara @ ISOteam Pte. Ltd.</b> ▶ Interior fitting-out works	51%		Diversified into interior design through JV in August 2013
<b>ISOteam Access Pte. Ltd.</b> ▶ Rental/ sale of height access equipment	100%		
<b>ISOteam C&amp;P Pte. Ltd.</b> ▶ Specialist coating & painting	100%	Substantially grew scale of operations with acquisition of 4 complementary business units in October 2014	
<b>ISO-Landscape Pte. Ltd.</b> ▶ Niche landscaping; Horticulture services; Gardening/landscape maintenance (condominiums)	100%		
<b>Industrial Contracts Marketing (2001) Pte. Ltd.*</b> ▶ Fireproofing coating; Floor-coating application; Specialist new-build painting	100%		
<b>ISOteam Projects Pte. Ltd.</b> ▶ Specialist addition & alteration; architectural and commercial interior design	100%	Acquired in December 2015; fka ISOTEAM TMG	
<b>ISOteam (TMS) Myanmar Limited*</b> (A subsidiary of TMS Alliances Pte. Ltd.) ▶ Repairs & Redecoration in Myanmar	90%	Maiden overseas JV foray in April 2016 with Nippon Paint	
<b>ISO Integrated M&amp;E Pte. Ltd.</b> ▶ Electrical works; Renewables installation and energy management contracts	65.9%	Acquired in January 2017; Sold 34.1% to Taisei Oncho Co., Ltd. in April 2018	
<b>SG Bike Pte. Ltd.</b> ▶ Singapore's first locally established bike sharing company	51%	Incorporated in August 2017	
<b>ISO-Homecare Pte. Ltd.</b> ▶ ISOHomeCare handyman portal	51%	Incorporated 15 November 2017	
<b>ISOteam Homecare Pte. Ltd.</b> ▶ Provision of handyman services	100%	Incorporated 23 October 2019	

\* Dormant company

# Showcase: Completed Projects

*R&R: Bendemeer Road Hawker Centre; Bike Rack; Peranakan Place; Namly View*



*A&A: One Fullerton; YWCA; HIP at Yishun; NRP at Choa Chu Kang*

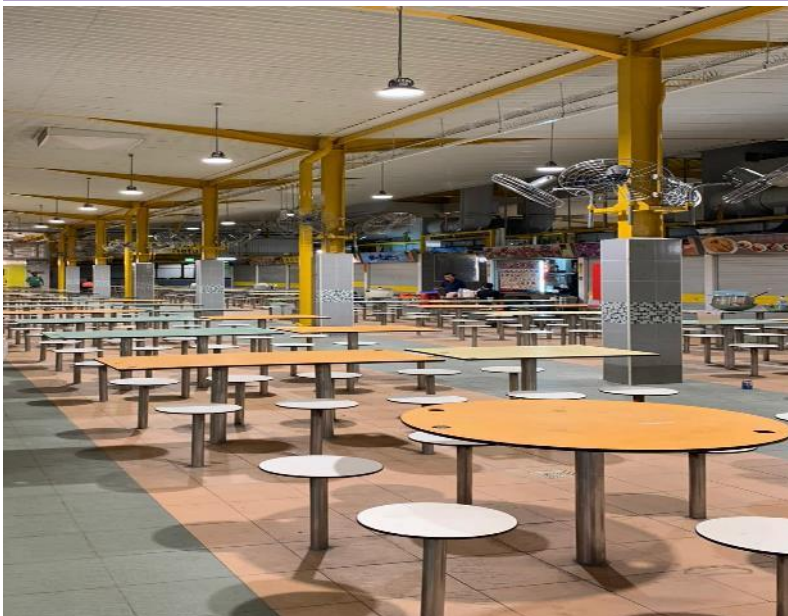


*C&P: Airbus HQ; Dulwich College; Outram Community Hospital*



# Showcase: Completed Projects

M&E: Bedok Market; Fernvale Childcare Centre



ID: Work & Store building at Geylang; Residential home; Svenson beauty salon



Landscaping: Floating wetland at Pulau Ubin Pekan Quarry Lake and Ngee Ann Poly floating wetland





# Summary: Ongoing Projects

	30 <sup>th</sup> June 2019		31 <sup>st</sup> December 2019	
	Number	Value (\$\$'m)	Number	Value (\$\$'m)
<b>R&amp;R</b>	25	61.9	35	89.0
<b>A&amp;A</b>	17	101.2	28	146.5
<b>C&amp;P</b>	65	32.8	73	35.0
<b>Others</b>	47	39.5	28	39.6
<b>Total <u>contract value</u> of ongoing projects</b>	-	235.4	-	310.1



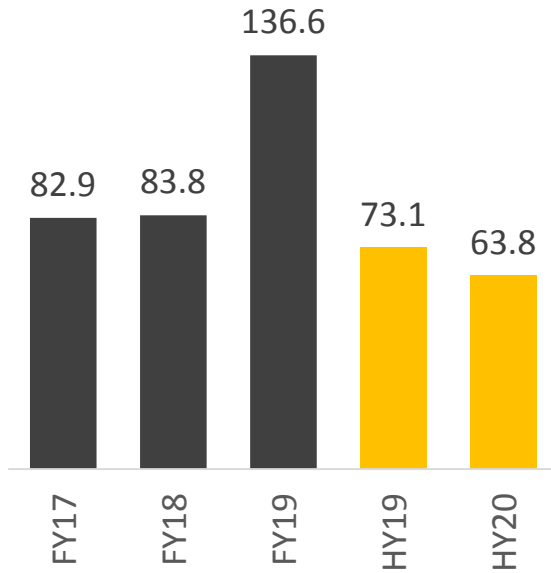
ISOTEAM

## Financial Highlights



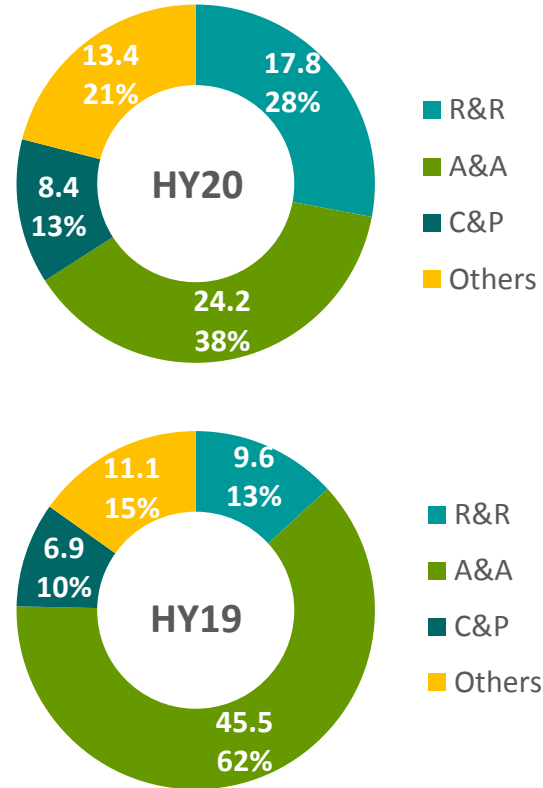
# Revenue

Revenue (S\$'m)



- Yoy -12.8%

By Business Segments (S\$'m)

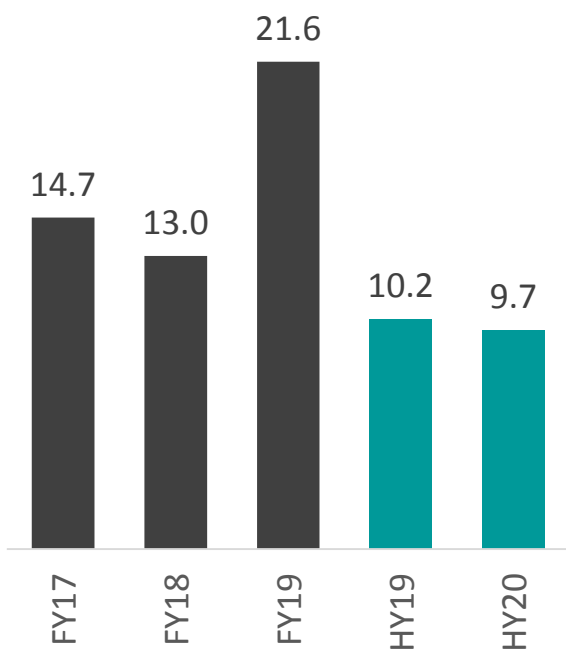


- R&R +85.3%
- C&P +20.6%
- Others +20.6%
- A&A -46.8%

• "Others": Commercial interior designs (ID); home retrofitting business, landscaping works; leasing service; waterproofing, green solutions business, mechanical and electrical engineering works and handyman services

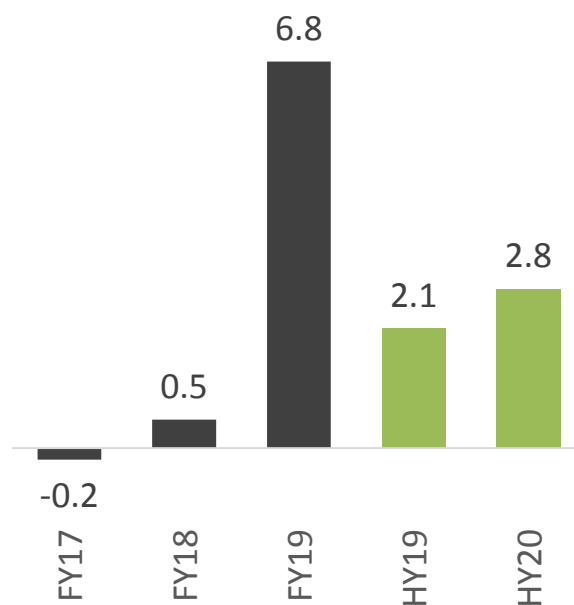
# Profit

Gross Profit (S\$'m)



- Yoy -4.5%

Net Attributable Profit (S\$'m)



- Yoy +31.7%

(%)	Gross Profit Margin	Net Attributable Profit Margin
<b>FY17</b>	17.8	NM
<b>FY18</b>	15.5	0.6
<b>FY19</b>	15.8	4.9
<b>HY19</b>	13.9	2.9
<b>HY20</b>	15.2	4.4

- Improved margins

Note: FY17 and FY18 figures were restated to reflect the adoption of SFRS(1)

# Income Statement: Expenses

KEY EXPENSES (\$\$'M)	FY2019	HY2019	HY2020	Chg (%)^
Cost of sales	(115.0)	(63.0)	(54.1)	(14.1)
Marketing and distribution expenses	(1.2)	(0.6)	(0.5)	(27.2)
General and administrative expenses	(14.8)	(6.8)	(6.6)	(3.3)
Other operating expenses	(0.4)	(0.2)	(0.2)	(12.0)
Finance costs	(1.2)	(0.5)	(0.9)	78.3
Tax (expense)/ credit	(1.0)	(0.6)	(0.5)	(14.0)

- ^ Any variances in percentage changes are due to rounding

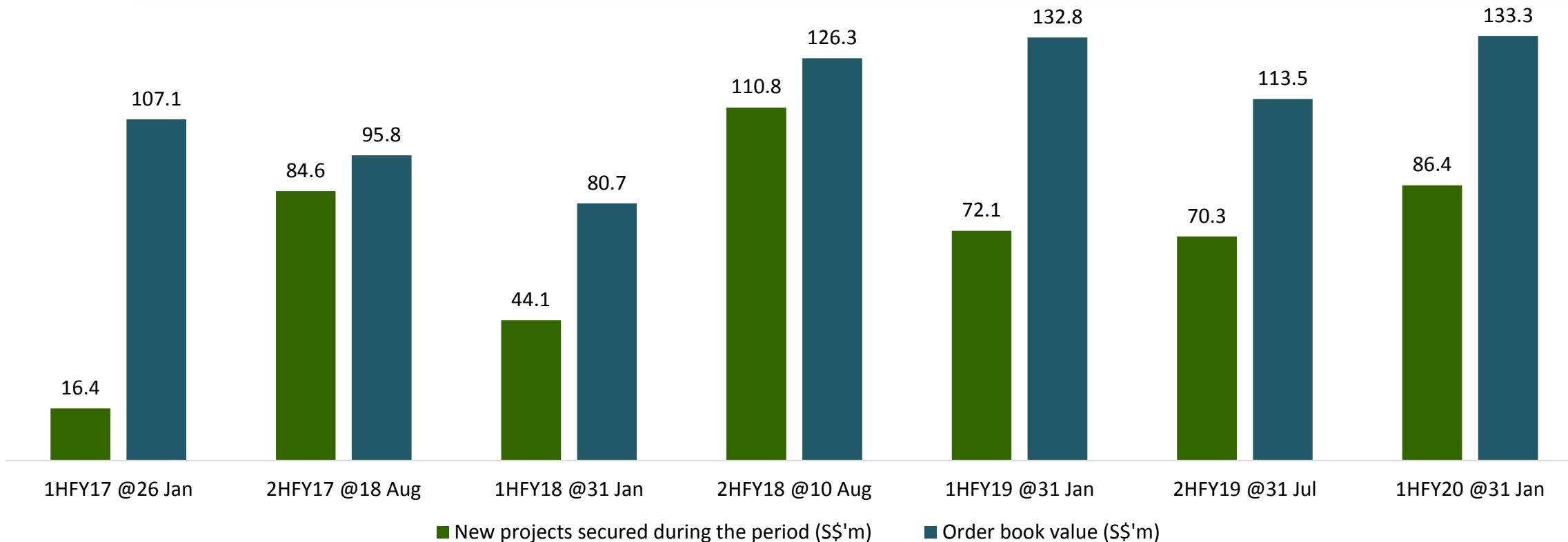
# Key Financial Highlights

KEY HIGHLIGHTS	FY2019	HY2019	HY2020
<b>PROFITABILITY RATIOS<sup>(1)</sup></b>			
Earnings Per Share <sup>(2)</sup> (cents)	2.37	0.75	0.98
Return On Assets (%)	5.5	1.5	1.9
Return On Equity (%)	11.8	3.4	4.1
<b>BALANCE SHEET</b>			
Current assets (S\$'m)	78.9	96.8	86.9
Cash and bank balances (S\$'m)	9.0	17.2	6.4
Net current assets (S\$'m)	29.1	35.3	30.0
Net assets (S\$'m)	59.6	62.7	60.4
<b>KEY OPERATING RATIOS</b>			
Profit before tax margin (%)	5.3	3.2	4.2

(1) Adjusted and Normalised

(2) Calculation of EPS is based on the weighted average number of ordinary shares of 284,035,546 shares in HY2019 and 284,725,505 shares in HY2020

# Order Book Trend



**Book orders of S\$133.3 million** as at 31 January 2020 to be progressively delivered over the next two years



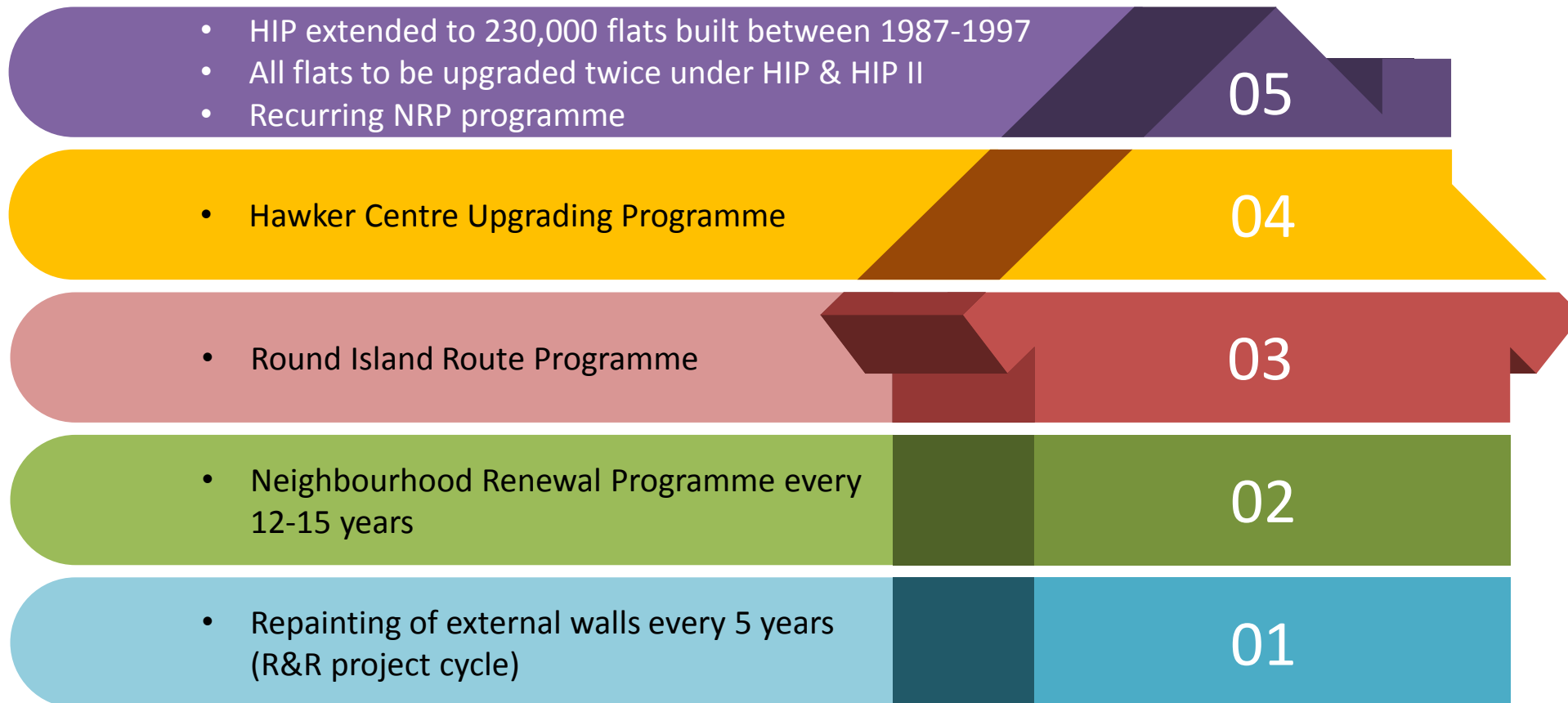
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## Outlook & Plans





# Government Initiatives



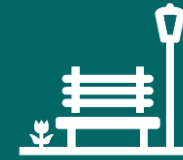
# Expanded HIP Scheme and HIP II



**Existing HIP expanded**  
Benefits another 230,000 flats built between 1987-1997



**New HIP II**  
Upgrades flats for a 2<sup>nd</sup> time; to be launched in 10 years



## Voluntary Early Redevelopment Scheme

To take back flats that are about 70 years old and redevelop older towns over 20-30 years; to start 20 years down the road



### 55,000 HDB flats to be upgraded from next year



Plan part of rejuvenation efforts costing over \$1 billion for public and private estates

**Straits Times, 12 October 2019**



### \$2.9 billion spent on repair and upgrading works for older flats: HDB



**Today, 21 December 2019**

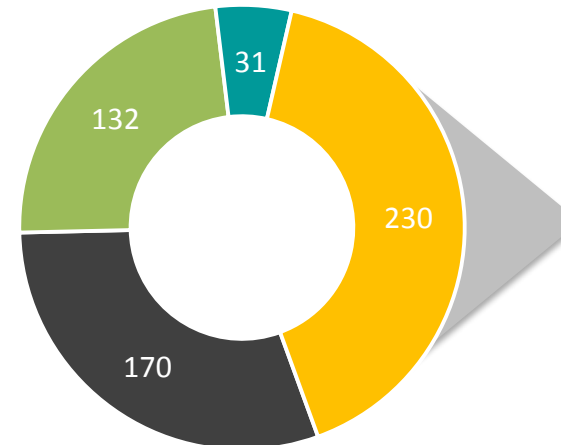
SINGAPORE — In nearly 12 years, up until March this year, the Government has spent \$2.9 billion on maintenance and repair works to spruce up or enhance the safety and sanitation facilities within older flats, under the Home Improvement Programme (HIP).

The Housing and Development Board (HDB) first launched the programme in 2007 and public housing units may undergo repairs for spalling concrete or structural cracks, upgrading of toilets and bathrooms, or be fitted with new doors or metal grille gates, for instance.

**Today, 21 December 2019**

## Upgrading to HDB Flats under HIP Scheme (No. of flats in '000s)

- Upgrading completed
- Upgrading in progress
- Upgrading to be progressively implemented
- Additional flats to be upgraded under expanded HIP



## Of the 230,000 eligible HDB flats:

- 55,000 flats to be upgraded from 2020 costing over \$1 billion
- Remaining 175,000 flats to be upgraded progressively at about 30 years old
- Upgrading to complete over the next 10 or more years

# Greening Trends

## SolarNova

- 2030 solar power targets raised in Oct 2019
- 540 MWp (HDB)
- 2 GWp (National)

## Green Mark

- 80% of buildings to be certified with BCA Green Mark by 2030

## LUSH

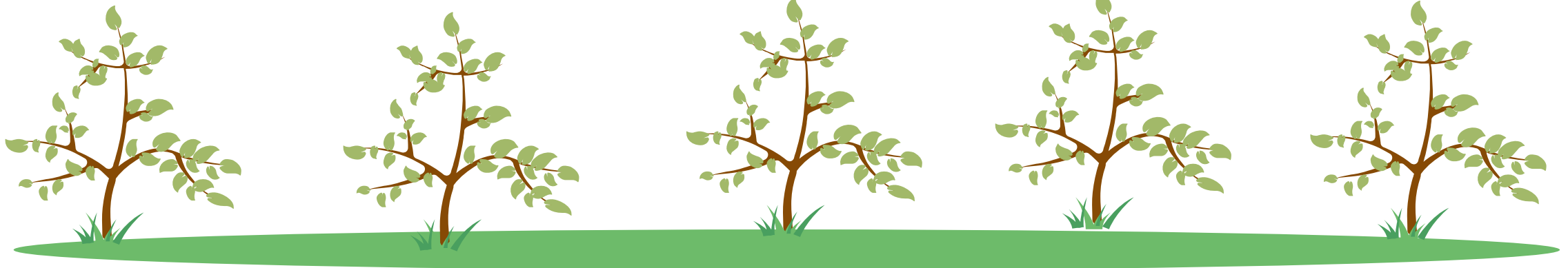
- City in the Garden identity
- Urban farming and rooftop garden
- 200 ha of high-rise greenery by 2030

## Offshore Floating Solar Farms

- Joint-effort with HDB and leverage on ESG

## Bike Sharing

- Catering to diverse local needs
- Focus on recreational and leisure business
- Supporting LTA's car-lite initiative



# Singapore Making Big Strides in Use of Green Energy



**PREMIUM**  
Solar panel surge, but expert says Singapore unlikely to rely solely on sun



Workers adjusting solar panels at the Renewable Energy Integration Demonstrator-Singapore developed by Nanyang Technological University in May. ST FILE PHOTO

- Number of grid-connected solar panel installations: **Increased > 80 times** from 34 to 2,873 in last 10 years
- Total capacity of solar energy generated: **Increased >500 times** from 0.4 megawatt-peak (MWp) by 1Q2009 to 226.4MWp by 1Q2019.



Bright future for floating solar panels in South-east Asia



A floating solar photovoltaic cell test-bed in Tengeh Reservoir in Tuas in 2016. While such panels cost more to install, they are up to 16 per cent more efficient because the water's cooling effect helps reduce thermal losses and extend their life, according to the Solar Energy Research Institute of Singapore. ST FILE PHOTO.

PUBLISHED FEB 9, 2019 5:00 AM SGT



Thailand and Singapore among nations keen on such projects in land-scarce region

BANGKOK • Solar power companies in South-east Asia that are competing for land with agriculture, industry and expanding populations have found an innovative alternative - to put floating panels in lakes, dams, reservoirs and the sea.

- Floating solar systems are growing quickly in Asia alongside those on the ground and on roofs, according to the Solar Energy Research Institute of Singapore (Seris).



## Sembcorp unit clinches Tengeh Reservoir solar farm project

MON, FEB 10, 2020 - 8:05 PM

ANNABETH LEOW ✉ leowh@sp.com.sg 🐦 @AnnabethLeowBT

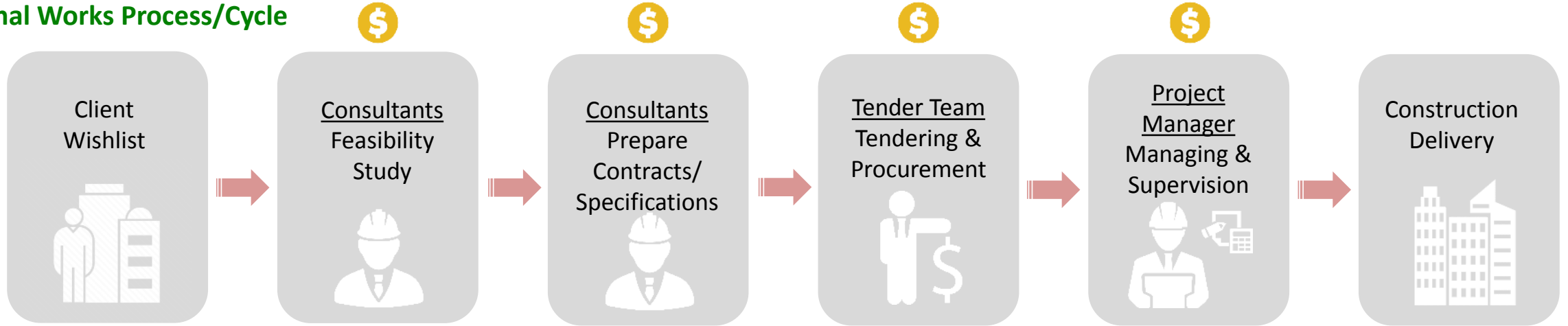
ENERGY and utilities group Sembcorp Industries has bagged the project to build a floating solar farm on Tengeh Reservoir, with wholly-owned subsidiary Sembcorp Solar Singapore coming in as the preferred bidder, it announced on Monday.

The 25-year award to build the 60 megawatt-peak (MWp) system on Tengeh Reservoir by 2021 will take Sembcorp's solar capacity in the Republic to about 240MWp, the

- Tengeh Reservoir: The 25-year award to build the 60 megawatt-peak (MWp) system on Tengeh Reservoir by 2021 will take Sembcorp's solar capacity in the Republic to about 240MWp, the group added.
- The Tengeh Reservoir system can produce enough electricity to meet 7 per cent of all its energy needs, PUB noted in a statement on Monday.

# ISO Team & Pure Group: Changing The Game

## Traditional Works Process/Cycle



## NEW Turn-key Works Process/Cycle



# Strategic Action Plan

## ENHANCE MARKET SHARE

- Tap on multi-disciplinary capabilities to cross sell services
- Grow market share (R&R)
- Target government and F&B sectors (A&A/ R&R/C&P)
- Continue to grow sectors (solar/ landscaping)

## LEVERAGE ON NEW ACQUISITIONS

- Leverage on consultancy and turnkey project capabilities for regional growth
- Leverage on leading position in bike sharing industry

## OTHER STRATEGIC OPPORTUNITIES

- M&As and strategic partnerships in
  - Conservancy and cleaning services
  - MEP
  - Energy management system (planning)
- Unlock value of properties at Kaki Bukit and Serangoon

# Investment Merits

## 1 Track Record

- An industry leader with a 20-year track record
- Defensive business with 70% of business from Singapore government bodies



## 2 Network

- Established stakeholder relationships
- Exclusive applicator for Nippon Paint Singapore and SKK (S) Pte Ltd



## 3 Capabilities

- Multi-disciplinary services
- Able to handle a wide spectrum of projects
- Evolved into a green solutions provider
- Turnkey capabilities from design inception to project completion



## 4 Team

- An experienced and professional management team
- Industry leading operational team at the forefront of evolving market trends



## 5 Future

- Strong order book (\$133.3M @ 31 Jan 2020)
- Upside from new business units
- Tapping into new sectors
- Positive prospects in Singapore
- Overseas expansion
- Lower default risk
- Minimum dividend payout of 20%





Thank you