



FOR IMMEDIATE RELEASE

ISOTeam achieves 18.6% revenue growth, and higher gross margin in 1HFY2023

- Revenue growth driven by R&R, C&P and Others segments.
- Gross profit margin improves to 8.5% due to the mix of pre- and post- Covid-19 projects executed during the year
- Order book stands at S\$160.0 million as at 13 February 2023, which is expected to support the Group's activities until FY2025.

Financial Highlights for the six months ended 31 December

S\$'m	1HFY2023	1HFY2022	Change (%)
Revenue by segment			
– Repairs & Redecoration (“R&R”)	16.4	13.1	24.2
– Addition & Alteration (“A&A”)	17.3	17.7	(1.8)
– Coating & Painting (“C&P”)	6.4	3.8	69.5
– Others ⁺	13.3	10.4	27.6
Total Revenue	53.4	45.0	18.6
Gross profit	4.5	3.2	43.0
Gross profit margin (%)	8.5	7.1	19.7
Profit / (loss) for the period	4.2	(3.9)	208.8

N.M. – denotes not meaningful.

⁺ Includes revenue from home retrofitting business, landscaping works, interior design, leasing, mechanical & electrical engineering works, vector control services and handyman services.

SINGAPORE, 13 February 2023 – Buoyed by the improved operating environment for estate upgrading and maintenance, **ISOTeam Ltd.** (“**ISOTeam**” and together with its subsidiaries, the “**Group**”) has achieved year-on-year (“**YoY**”) revenue growth of 18.6% to S\$53.4 million for the six months ended 31 December 2022 (“**1HFY2023**”).

The improved topline performance was due to revenue growth from three of its four segments. During the six months under review, revenue from the R&R and Others segments rose 24.2% and 27.6% YoY to S\$16.4 million and S\$13.3 million respectively, while C&P netted the highest revenue



expansion, increasing 69.5% YoY to S\$6.4 million. This was partially offset by a slight dip in revenue from the A&A segment, which declined 1.8% to S\$17.3 million in 1HFY2023.

Despite higher cost of sales, which rose 16.7% YoY to S\$48.9 million due to the persistently high cost of raw materials, ISOTeam's gross profit increased to S\$4.5 million in 1HFY2023 compared to S\$3.2 million in the previous corresponding six months in 2021 ("**1HFY2022**"). Gross profit margin increased to 8.5% in 1HFY2023 (1HFY2022: 7.1%) due to improved operating environment.

Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发), said: *"We are very encouraged by our improving topline growth as it showed that we were able to deliver on our projects despite ongoing labour constraints that continue to plague the industry. This attests to the strength of our project management abilities to deploy manpower at the most efficient and optimum levels."*

Due to the disposal of non-core subsidiaries, the Group recorded a one-off gain of S\$5.9 million in 1HFY2023, while overall expenses declined due mainly to lower staff costs and professional fees as well as the reduction in amortisation of intangible assets from the derecognition of a subsidiary in FY2022.

As a result of the aforementioned, ISOTeam returned to profitability in 1HFY2023 with a net profit of S\$4.2 million as compared to a loss of S\$3.9 million in 1HFY2022.

ISOTeam's order book remains on strong footing with projects totalling a robust S\$160.0 million as at 13 February 2023, which is expected to support the Group's activities until 30 June 2025 ("**FY2025**").

Outlook

Although the industry outlook has improved, it has yet to return to pre-COVID levels. According to the Ministry of Trade and Industry's advanced estimates that was released on 3 January 2023, Singapore's construction sector grew 10.4% YoY in the fourth quarter of 2022, as both public and private sector construction output continued to recover.



In its latest outlook released on 12 January 2023, the Building Construction Authority expects total construction demand in Singapore to remain strong in 2023, ranging between S\$27 billion to S\$32 billion. The public sector is expected to contribute 60% of this demand particularly in industrial and institutional construction and further supported by Housing Development Board's ramping up of Build-To-Order flats supply, the construction of water treatment plants and community clubs.¹

ISOTeam is optimistic that demand for its services will be steady due to the recurring nature of its projects – many of which are government-driven, including national upgrading programmes such as the Home Improvement Programme and the Neighbourhood Renewal Programme. To better capture these opportunities, the Group announced the disposal of non-core assets in December 2022 following a strategic review and reorganisation to streamline its corporate structure and resources to fully focus on its core construction-related segments.²

Mr Koh said: *"ISOTeam has always positioned itself to be in line with the urban planning needs of the Singapore government. We believe that it is in the best interests of the Group and its stakeholders to concentrate our energies on our core capabilities in estate upgrading and building maintenance as it will position us better to ride the recovery of Singapore's construction sector."*

To mitigate the impact of rising costs, the Group will continue to prioritise cash conservation and cost controls as it navigates the challenging environment over the next 12 months. To overcome the ongoing labour shortage, it has also started to deploy drones for certain activities to reduce its reliance on foreign workers.

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¹ Building and Construction Authority media release, "Singapore's construction demand to remain strong in 2023", 12 Jan 2023

² SGX announcement "Completion Of The Proposed Acquisition Of Non-Core Subsidiaries By A Singapore-Based Private Equity Fund Manager" dated 12 December 2022.



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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 and eco-conscious player in Singapore's building maintenance and estate upgrading industry with more than 20 years of Repairs & Redecoration (R&R) and Addition & Alteration (A&A) experience. We have successfully undertaken more than 550 refurbishment and upgrading projects for over 6,000 buildings and counting since inception. ISOTeam also offers specialist Coating & Painting (C&P) services as well as complementary niche services (Others) including specialist waterproofing, commercial interior design and home retrofitting (ID), landscaping, mechanical and electrical works (M&E), vector control services and handyman services. 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").

This press release has been prepared by the Company and its contents have been reviewed by the Sponsor.

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made, or reports contained in this press release.

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