



FOR IMMEDIATE RELEASE

## ISOTeam's narrows net attributable loss on higher revenue achieved in 1HFY2022

- Improved topline performance driven by revenue growth across A&A, C&P and Others segments and partially offset by a slight dip in revenue from the R&R segment.
- Order book stands at S\$152.7 million as at 31 December 2021, which is expected to support the Group's activities until FY2024.

### Financial Highlights for the six months ended 31 December

S\$'m	1HFY2022	1HFY2021	Chg (%)
Revenue	45.0	36.7	22.7
– Repairs & Redecoration ("R&R")	13.1	13.7	(3.8)
– Addition & Alteration ("A&A")	17.7	11.1	59.3
– Coating & Painting ("C&P")	3.8	2.1	76.6
– Others <sup>+</sup>	10.4	9.8	6.6
Gross profit	3.2	0.2	NM
Loss before tax	(3.8)	(6.8)	(44.2)
Net loss for the period	(3.9)	(6.5)	(40.6)
Loss attributable to equity holders	(3.4)	(6.0)	(43.3)
Loss per share* (Singapore cents)	(0.98)	(1.73)	(43.3)

\* Based on the weighted average number of ordinary shares in issue of 348,352,231 in 1H FY2022 (1H FY2021: 346,473,562).

<sup>+</sup> Includes revenue from home retrofitting business, landscaping works, interior design, leasing, green solutions business, mechanical & electrical engineering works, vector control services and handyman services.

**SINGAPORE, 11 February 2022** – Driven by strong revenue growth from three out of four of its business segments, ISOTeam Ltd. ("ISOTeam" and together with its subsidiaries, the "Group"), has narrowed its net attributable loss to S\$3.4 million for the six months ended 31 December 2021 ("1H FY2022") from S\$6.0 million recorded for the previous corresponding period in 2020 ("1H FY2021").

Year-on-year ("YOY"), the Group's revenue expanded 22.7% to S\$45.0 million in 1H FY2022 led by higher revenue contributions from the Group's Addition and Alteration ("A&A"), Coating and Painting ("C&P") and Others segments, which rose 59.3%, 76.6% and 6.6% respectively, while partially offset by a slight 3.8% revenue dip from its R&R segment.



Despite the improved top- and bottom-line performance, the Group remained in the red in 1H FY2022 as it continued to be weighed down by higher operating costs and challenges due to factors caused by the prolonged Covid-19 pandemic, which has affected the whole construction and building-related industry. These included a shortage in manpower supply as a result of ongoing restrictions on migrant worker entries, which in turn has led to operational inadequacies and higher wage expenses to attract and retain staff, as well as higher raw material prices due to supply chain disruptions. Nevertheless, the Group's gross profit in 1H FY2022 increased to S\$3.2 million while gross margin improved to 7.1% compared to S\$0.2 million and 0.5% respectively a year ago.

Meanwhile, other income fell 75.1%, or S\$3.4 million, to S\$1.2 million in 1H FY2022 due to the one-off gain in disposal of property recognised in 1H FY2021 and also lesser government support schemes during the period under review.

Amidst these headwinds, ISOTeam continued to tender for new projects and its order book stood at a robust S\$152.7 million as at 31 December 2021, which is expected to support the Group's activities until FY2024.

In tandem with the better results, the Group's loss per share in 1H FY2022 was 0.98 Singapore cents per share, an improvement over the loss per share of 1.73 Singapore cents in 1H FY2021. This was calculated based on the weighted average number of ordinary shares in issue of 348,352,231 in 1H FY2022 (1H FY2021: 346,473,562).

The Group remained in a healthy cash position with cash and cash equivalents of S\$15.9 million as at 31 December 2021 (30 June 2021: S\$15.5 million).

### **Outlook**

ISOTeam expects the operating environment to remain challenging as long as raw material costs remain high and Covid-19 restrictions continue to have an impact on manpower supply. However the Group is optimistic that the situation will gradually improve as the inflow of foreign workers continue to increase steadily.



The Group is also encouraged by the Building and Construction Authority's ("BCA") latest estimates<sup>1</sup> that were released last month projected that contracts worth between S\$27.0 billion and S\$32.0 billion would likely be awarded this year. That is around the same level recorded in 2019. The public sector is expected to contribute about 60% of the total construction demand this year, or around \$16 billion to \$19 billion. It added that projected demand from 2023 to 2026 would be between S\$25.0 billion and \$32.0 billion a year.

**Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发)**, said: *"BCA's latest estimates are very encouraging as it indicates that a healthy rebound for the industry is on the cards. We are particularly excited that BCA's projections are supported by a strong pipeline of public housing projects such as the Home Improvement Programme and other public infrastructure work because this is where our expertise lies. In addition, the hospitality and tourism sector is also expected to prepare for an influx of tourists by undergoing some upgrading works and this will mean more projects available from the private sector as well. On our part, we are gearing up to tender for more projects as they become available, and we will do our utmost to clinch more contracts."*

To reduce its reliance on manpower, ISOTeam has initiated the use of drone technology for some areas of work. In October 2021, the Group entered a five-year collaboration agreement to be the exclusive master agent for H3Zoom by H3 Dynamics' suite of products and services for building façade inspections. This involves the deployment of autonomous drones with specialised sensor payloads to conduct inspections of building facades based on a pre-established flightpath. That data is then processed using AI to detect common defects such as cracks and corrosion. The collaboration is expected to reap benefits from legislative amendments passed in March 2020 that now require the façade of buildings that are over 13m tall and more than 20 years of age to be inspected every seven years. Under this Periodic Facade Inspection regime, 4,000 buildings are expected to be inspected annually<sup>2</sup>.

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<sup>1</sup> The Straits Times article "Construction demand for 2022 to return to near pre-Covid-19 levels" dated 26 January 2022.

<sup>2</sup> Today Online article "Law passed to boost facade checks on older S'pore buildings after 90 cases of falling debris in 3 years" dated March 2020.



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Shortly after this, ISOTeam inked a Memorandum of Understanding in November 2021 with Acclivis Technologies and Solutions Pte Ltd and Nippon Paint (Singapore) Co. Pte Ltd to develop and enable the use of autonomous painting drones for the painting of building façades or structures.

The Group will continue to prioritise cash conservation and cost controls as it navigates the challenging environment over the next 12 months.

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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 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) through its specialist waterproofing, commercial interior design and home retrofitting ("ID"), landscaping, access equipment leasing, green solutions and mechanical and electrical works ("M&E"), and pest management services 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](http://www.isoteam.com.sg).

#### **Issued by and on behalf of ISOTeam Ltd. by**

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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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