



HY2022 Results Presentation

6 months ended 31 December

February 2022



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The contact person for the Sponsor is Mr Kaeson Chui, Vice President, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.



01

Business Overview



Established in 1998, we are a leading R&R, A&A and complementary niche specialist services provider for the built environment

Founded in Singapore, with a reputation for eco-conscious solutions



>550
projects



>6,000
buildings

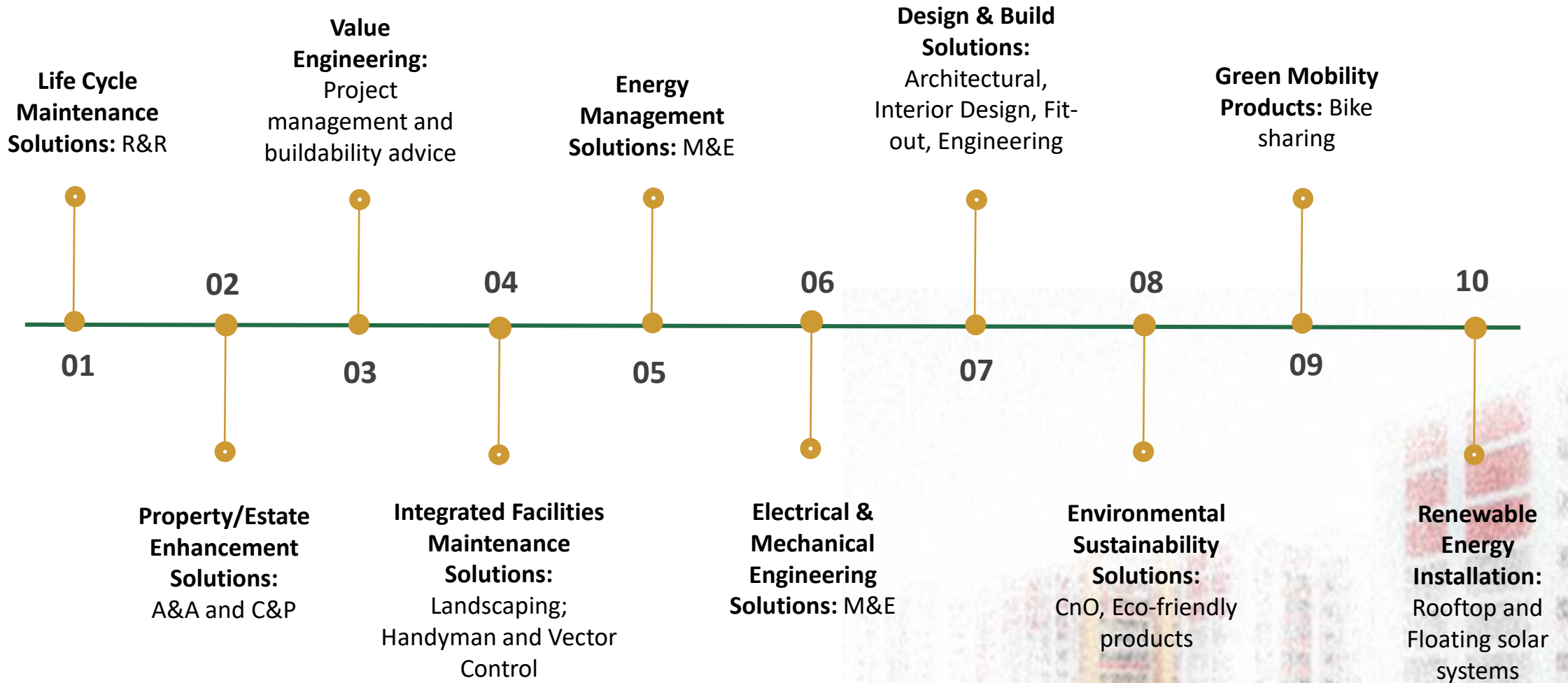


Competitive Strengths

- 20+ year track record
- One-stop provider with multi-disciplinary capabilities
- Established stakeholder relationships
- Experienced and professional management team
- Industry recognised safety and management systems
- Broad and growing range of services
- Early mover in green solutions
- Leading brand focused on growth and innovative solutions

Multi-disciplinary Capabilities

We provide sustainable solutions for a better built environment



Corporate Structure (as of 31 December 2021)

Raymond Construction Pte Ltd ▶ Addition & Alteration	100%	Subsidiaries at the time of listing in 2013 involved mainly in R&R- and A&A- related works
ISO-Team Corporation Pte Ltd ▶ Addition & Alteration; Repair & Redecoration	100%	
TMS Alliances Pte. Ltd. ▶ Repair & Redecoration	100%	
ISOTeam Green Solutions Pte. Ltd. ▶ Eco-friendly solutions/ products	100%	
Zara @ ISOTeam Pte. Ltd. ▶ Interior fitting-out works	51%	Growth and expansion through the years
ISOTeam Access Pte. Ltd. ▶ Rental/ sale of height access equipment	100%	
ISOTeam C&P Pte. Ltd. ▶ Specialist coating & painting	100%	
ISO-Landscape Pte. Ltd. ▶ Niche landscaping; Horticulture services; Gardening/landscape maintenance (condominiums)	100%	
ISO Integrated M&E Pte. Ltd. ▶ Electrical works; Renewables installation and energy management contracts	100%	
ISOTeam Homecare Pte. Ltd. ▶ Provision of handyman services	100%	
Green-Pest Management Pte. Ltd.¹ ▶ Vector control services, landscape care and other related maintenance services	100%	
ISOTeam Renewable Solutions Pte Ltd² ▶ Installation of solar panel and mixed construction activities	100%	
SG Bike Pte. Ltd. ▶ Singapore's first locally established bike sharing company	48%	

¹ Acquired on 3 Aug 2021

² Incorporated on 11 Nov 2021

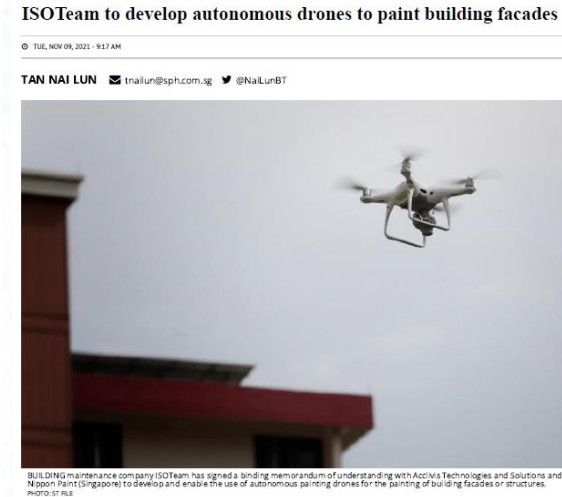
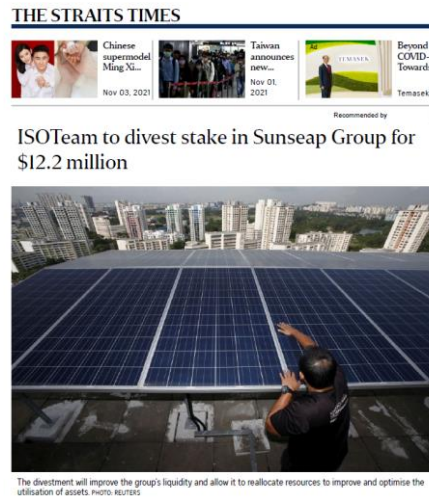
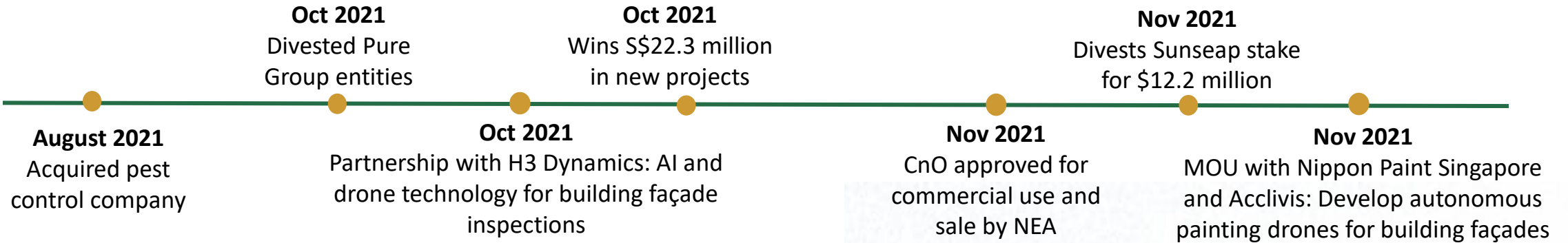
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Business Highlights














A Recap of 1H FY2022







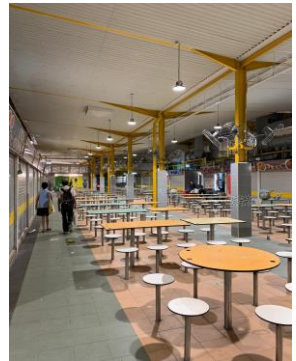


- Protracted impact of the pandemic
- Cost hikes as a result of the challenging labour environment and material costs



Showcase: Completed Projects

R&R	44 Blks at Pasir Ris St 21	29 Blks at Rivervale Crescent/Drive	34 Blks at Pasir Ris Dr 10/ Street 71	18 Blks at Pasir Ris Dr 1 / Street 51	20 Blocks at Tampines Street 11/22 Changkat Division	
						
	182 Clemenceau Ave		NRP at Yishun Avenue 6		NRP at Bishan Street 22	
	  				 	
	A&A					

Showcase: Completed Projects

C&P	Kallang Polyclinic	The Quintet	National Cancer Centre	Popular Warehouse HQ	Bidadari HDB
					
M&E	NRP at Bishan Street 22	Bedok Market	Rooftop Solar Installation at Punggol	Serangoon North ELU	
					

Showcase: Completed Projects

ID	Heritage Collection, 39 Seah Street	Block 337 Ang Mo Kio Ave 3	Marine Online, Kallang 164	517 Pasir Ris	SAC Capital Office, AIA Tower
					

LANDSCAPING	Pulau Ubin: Floating Wetlands (Maintenance)	Town Council (Maintenance)	Bedok BTO Project: Rain Garden	182 Clemenceau Ave	Martin Place Residences
					

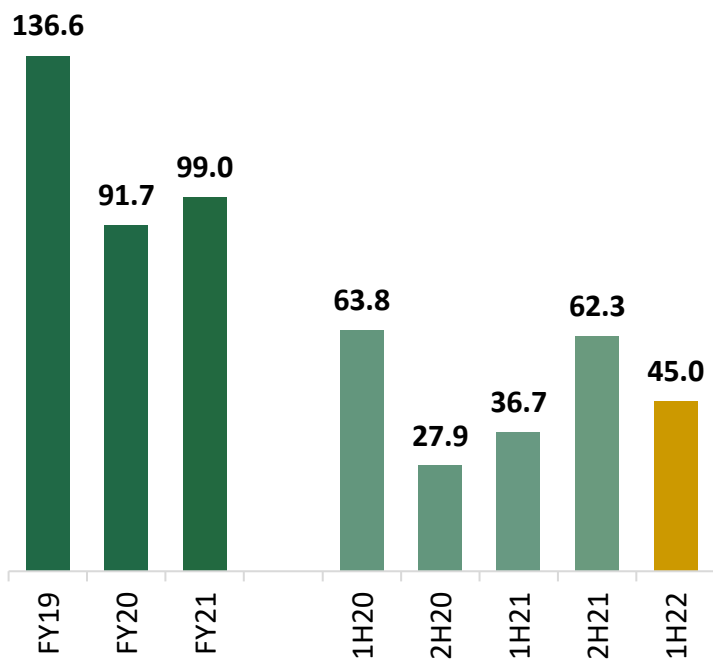
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Financial Highlights



Revenue

Revenue (S\$m)



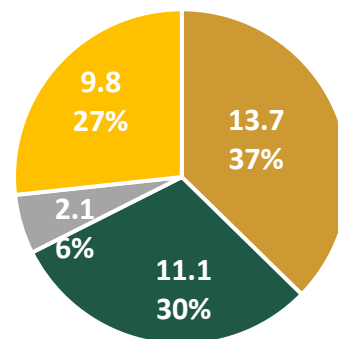
Segment	YoY ⁽¹⁾	HoH ⁽²⁾
Revenue	↑22.6%	↓27.8%

Note: FY2020 figures are restated

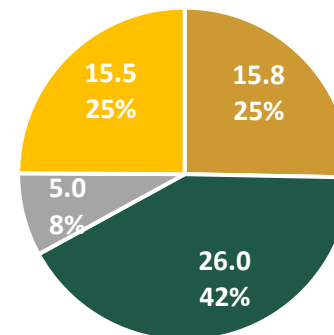
(1) 1H FY2021 vs 1H FY2022 (2) 2H FY2021 vs 1H FY2022

By Business Segments (S\$m)

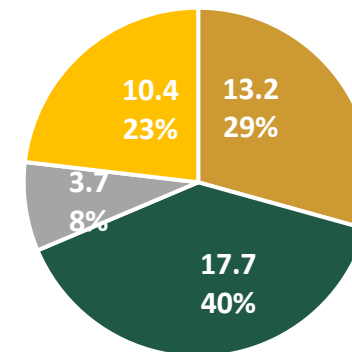
1H FY2021 (S\$m)



2H FY2021 (S\$m)



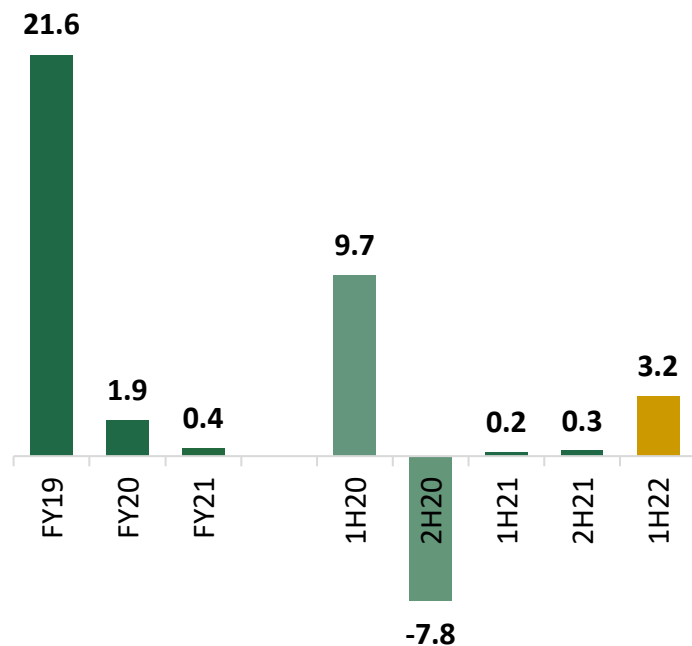
1H FY2022 (S\$m)



■ R&R ■ A&A ■ C&P ■ Others ■ R&R ■ A&A ■ C&P ■ Others ■ R&R ■ A&A ■ C&P ■ Others

Segment	YoY ⁽¹⁾	HoH ⁽²⁾
R&R	↓3.8%	↓16.5%
A&A	↑59.4%	↓31.9%
C&P	↑76.6%	↓25.4%
Others	↑6.6%	↓32.9%

Gross Profit (S\$m)



Segment	YoY ⁽¹⁾	HoH ⁽²⁾
Gross profit	NM ⁽³⁾	NM ⁽³⁾

Net Attributable Profit/Loss (S\$m)



Segment	YoY ⁽¹⁾	HoH ⁽²⁾
Net attributable loss	↓43.3%	↓60.5%

(%)	Gross Profit Margin	Net Attributable Profit Margin
FY19	15.8	5.0
FY20 (Restated)	2.1	NM
FY21	0.4	NM
1H FY21	0.4	NM
1H FY22	7.1	NM

Note: FY2020 figures are restated

(1) 1H FY2021 vs 1H FY2022 (2) 2H FY2021 vs 1H FY2022 (3) NM: More than 1,000%

Income Statement: Expenses

KEY EXPENSES (\$\$'M)	FY2021	1H FY2021	1H FY2022	Chg (%)
Cost of sales	(98.6)	(36.5)	(41.9)	14.6
Marketing and distribution expenses	(0.8)	(0.4)	(0.5)	16.4
General and administrative expenses	(12.6)	(5.7)	(6.3)	11.7
Other operating expenses	(5.7)	(3.9)	(0.2)	(95.3)
Finance costs	(1.5)	(0.7)	(0.9)	27.5
Impairment loss on receivables and contract assets	(2.7)	(0.9)	(0.3)	(69.0)

Any variances in percentage changes are due to rounding

- General and administrative expenses: Mainly due to increase in professional fees
- Operating expenses: Mainly due to the one-off impairment of goodwill in 1H 2021
- Finance costs: Mainly from higher utilisation of trade facilities

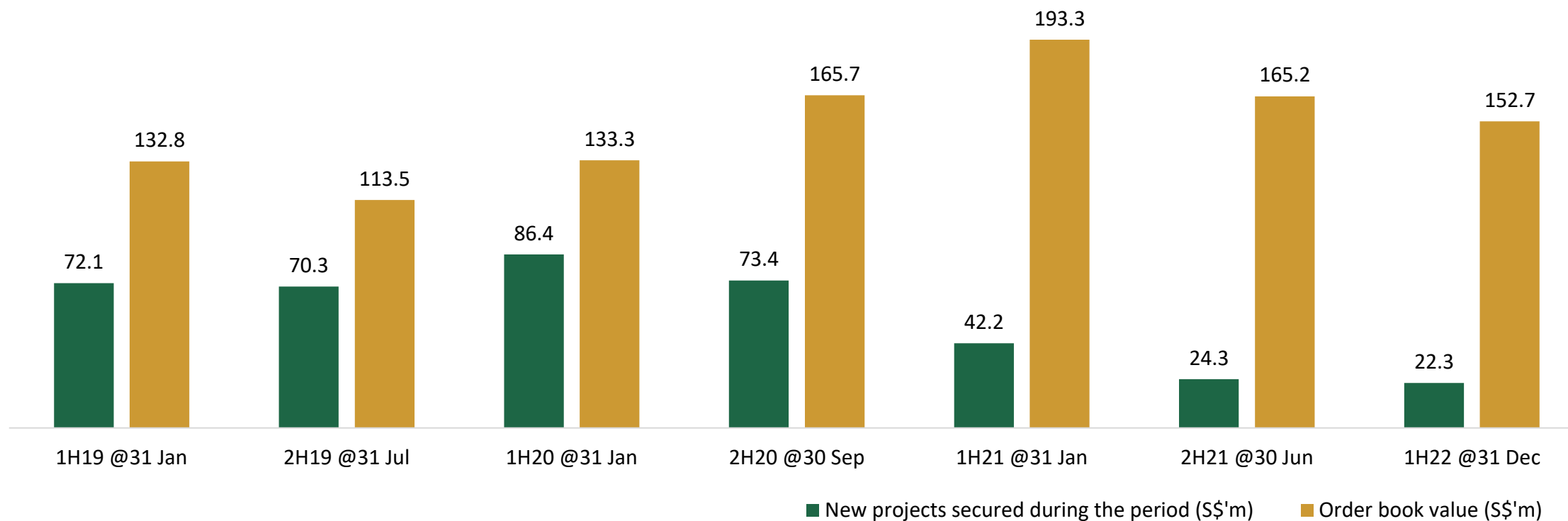
Key Financial Highlights

KEY HIGHLIGHTS	FY2021	1H FY2021	1H FY2022
PROFITABILITY RATIOS			
Earnings Per Share (cents)	(4.00)	(1.73)	(0.98)
Return On Assets (%)	(12.8)	(5.4)	(3.3)
Return On Equity (%)	(42.0)	(13.7)	(10.8)
BALANCE SHEET	S\$'m	S\$'m	S\$'m
Current assets	68.3	77.1	71.5
Cash and bank balances	15.5	14.0	15.8
Net current assets	8.4	18.5	20.2
Net assets	32.4	42.4	28.6
CASH FLOWS	S\$'m	S\$'m	S\$'m
Operating cash flows before working capital changes	(5.2)	(1.1)	(0.3)
Cash generated from / (used in) operations	(1.0)	(4.9)	(1.0)
Net cash generated from / (used in) operating activities	(0.1)	(4.6)	(0.9)
Net cash generated from investing activities	3.6	4.0	4.4
Net cash generated from / (used in) financing activities	2.1	3.6	(2.8)

Order Book Trend

S\$152.7 million book orders as at 31 December 2021 to be progressively delivered by FY2024

- Projects execution subject to the implementation and compliance of additional COVID-19 safety measures and policies





Construction Demand for 2022 to Recover to Near Pre-COVID Levels

Construction Demand (Value of contracts awarded) (S\$ billion)

Year	Public	Private	Total
2021 (p)	18.16	11.78	29.94
2022 (f)	16-19	11-13	27-32
2023-2026 (f)	14 - 18 / yr	11 - 14 / yr	25 - 32 / yr

Singapore's GDP grew by 7.2% in 2021, rebounding from the 5.4% contraction in 2020

- Construction sector grew 18.7% yoy in 2021 vs a contraction of 35.9% in 2020 but still constrained by labour shortages amid border restrictions
- In absolute terms, the sector's value-added in 4Q2021 was 26% below its pre-Covid level in 4Q2019.

Sources: BCA, 26 January 2022; Advanced estimates from MTI, 3 January 2022

26 Jan 2022. The Straits Times

Construction demand for 2022 to return to near pre-Covid-19 levels



The Building and Construction Authority estimated that contracts worth between \$27 billion and \$32 billion will likely be awarded this year. ST PHOTO LIM WENHAI

26 Jan 2022, The Business Times

BCA expects 2022 construction demand between S\$27b and S\$32b, supported by public sector projects

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TAN NAI LUN [✉ tnailun@sph.com.sg](mailto:tnailun@sph.com.sg) [🐦 @NaiLunBT](https://twitter.com/NaiLunBT)
 YONG JUN YUAN [✉ junyuan@sph.com.sg](mailto:junyuan@sph.com.sg) [🐦 @JunYuanBT](https://twitter.com/JunYuanBT)



BCA has projected the total value of construction contracts awarded in 2022 to be between S\$27 billion and S\$32 billion. PHOTO: ST

THE Building and Construction Authority (BCA) has projected the total value of construction



BREAKING NEWS

- 04:40 PM Europe: Stocks diverge before rate calls
- 04:30 PM Banks face surge in equal-pay claims after landmark BNP ruling
- 04:30 PM BT in exclusive talks with Discovery on sport TV joint-venture
- 04:28 PM Raskin signals she won't target energy industry in Fed

Sustainable Demand Fundamentals Post COVID-19: Government Initiatives for the Built Environment



01

**TOWN
COUNCILS**

Repaint external walls every 5 years incorporating mandatory façade checks for all blocks (R&R project cycle)



02

HDB

Neighbourhood Renewal Programme every 12-15 years

Expanded HIP Scheme and HIP II



03

NEA

Hawker Centre Upgrading Programme



04

**NPARKS
& BCA**

Development, maintenance & upgrading of parks

Facade checks every 7 years for structures that are over 13m in height and more than 20 years old

A whole-of-nation movement to advance Singapore's national agenda on sustainable development



City In Nature

By 2026

- Develop over 130 ha of new parks and enhance around 170 ha of existing parks with more lush vegetation and natural landscapes

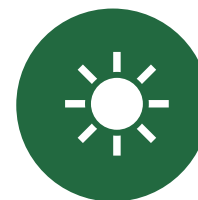


Sustainable Living

Green Commutes

By 2030

- Triple cycling paths to 1,320km from 460km in 2020



Energy Reset

Green Energy By 2030

- Increase solar energy deployment to at least 2 GWp to power more than 50,000 households a year
 - 200 MW of energy storage systems deployment beyond 2025 to power more than 16,000 households a day

Sustainable Towns and Districts

By 2030

- Reduce energy consumption in existing HDB towns by 15%



Resilient Future

Keeping Singapore Cool

- Moderate rise in urban heat eg with cool paint and increasing greenery

Well-positioned for Renewable Energy Opportunities

Track record of working with government agencies in deploying new urban solutions

- HDB: Neighbourhood Renewal Programme every 12-15 years
- NParks and Town Councils: Development, maintenance & upgrading of parks
- NEA & HDB: Hawker Centre Upgrading Programmes
- Nparks and HDB: Large-scale floating wetlands system at Pulau Ubin Pekan Quarry Lake

Experienced and proven capability in installing solar panels onshore and offshore

- HDB rooftops: Installed over 20 MWp of renewable solar energy
- Floating: Installed 5 MWp of renewable energy for Sunseap's floating solar farm off Woodlands, one of the largest in the world

Established working relationship with Sunseap since 2015

- The largest and most established clean energy solutions provider in Singapore
- Portfolio of pipeline and completed projects that is close to 2 GWp of solar projects in Singapore and around the Southeast Asia and Pacific region.



Strong track record in new urban and sustainable solutions

Tapping on Technology to Reduce Reliance on Labour



Secured projects across 233 HDB blocks

- Tampines North & East • Tampines East & Central
- Boon Lay Drive & Jurong West St 64/65 • Marsiling-Yew Tee

Remote site inspection

- Developed in-house app for remote inspection of sites and facilities

AI Drone façade inspection

- Piloted the use of drones to inspect the external façades of HDB blocks in Tampines
- To deploy it across projects starting with the over 200 blocks secured
- Collaboration agreement with H3 Dynamics:
 - Exclusive partnership for HDB, town councils, commercial and condominium building façade inspection projects secured by ISOteam; and, non-exclusively for other projects.
 - Master agent to market H3 Dynamics' façade inspection products and services to other parties for HDB block inspections.

AI Drone Painting

- Collaboration with Nippon Paints and ACCLIVIS (Subsidiary of Citic Telecom)

Strategic Action Plan to Address Challenges

CHALLENGES

- Labour shortage
- Work disruptions
- Rising costs
- Supply chain disruptions

PRUDENCE

- Focus on project delivery and cost management
- Strengthen liquidity
- Better risk management
- Improve gross profit margin with new order book
- Enhance business continuity plan
- Workforce health and safety

SYNERGY

- Inter-business unit collaboration
- Centralisation of functions to improve efficient
- Embrace digitalisation & SOP across business units
- New technology adoption

SUSTAINABILITY

- Continuous promotion of core values
- Review of business processes to lower manpower reliance
- Explore strategic partnerships for long term growth
- Integrated Facility Management (IFM)
- Tap opportunities in renewable energy and green projects
- Talent management

1 Track Record

- An industry leader with a track record of over 20 years
- Defensive business with 70% of business from Singapore government bodies
- Largest market share in Town Council segment projects



2 Network

- Established stakeholder relationships (TOC and Nippon Paint Singapore)
- 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 (\$152.7M @ 31 Dec 2021)
- Synergy across business units
- Minimum dividend payout of 20% of net profit
- Recovery of construction sector
- Ride on the SG Green Plan 2030
- Expand capabilities in untapped markets (JTC, LTA, MOE etc)



Thank You
Q & As

