



ISOTEAM

**POISED FOR GREATER
GROWTH**

FY2019 Results Presentation
August 2019

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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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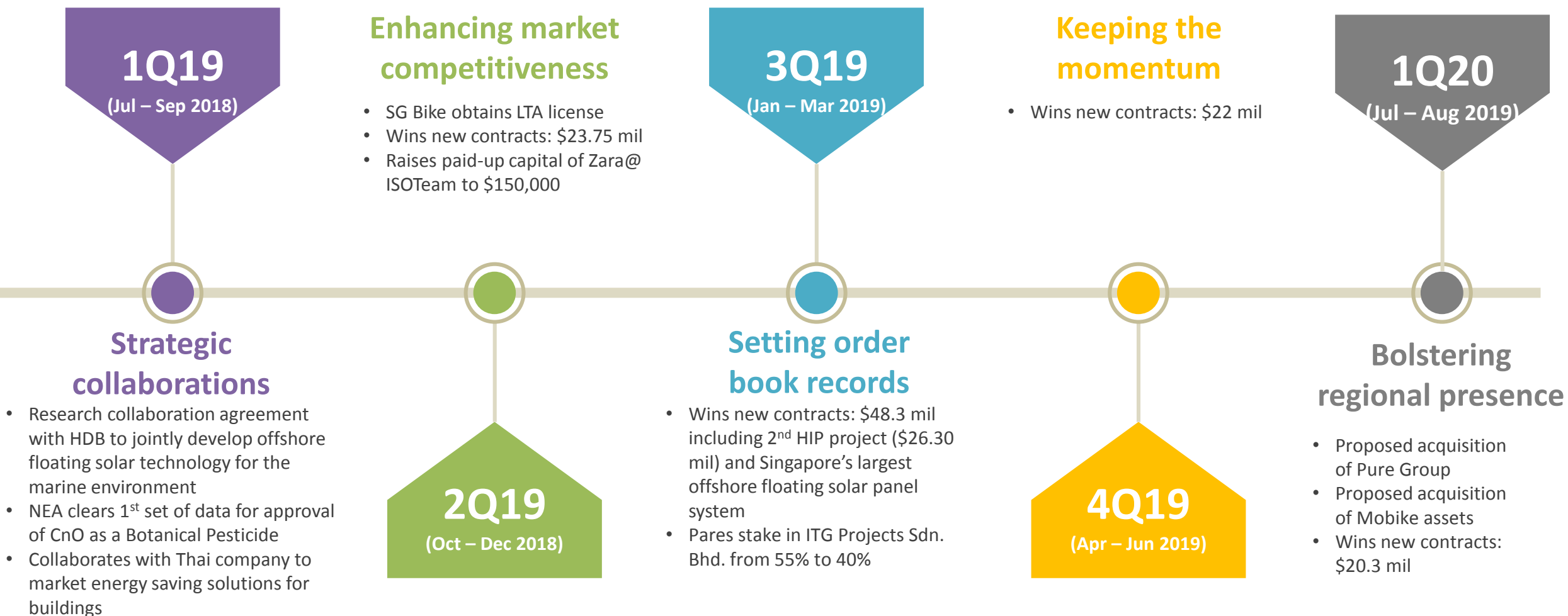
BUSINESS HIGHLIGHTS



At A Glance

- A leading **R&R, A&A** and **complementary niche specialist** services provider in Singapore with a proven track record in **eco-conscious solutions**
- Completed approximately **438** building refurbishment and upgrading projects for approximately **4,376** buildings since 1998
- A trusted **local** and growing **regional** brand
 - Over 20-year Track record
 - One-stop provider
 - Established Stakeholder Relationships
 - Experienced & Professional Management Team
 - Industry Recognised Safety & Management Systems
 - Broad & Growing Range of Services
 - Early Mover in Green Solutions
 - Leading Brand Focused On Growth & Innovative Solutions

A Recap of FY2019



Showcase: Completed Projects

R&R: Punggol town estate / Toa Payoh town estate



A&A: NRP - Yishun Town Council | Watten Estate | Tanjung Rhu Promenade



C&P: Seng Kang General Hospital | Singapore Management University | Tuas Bay Close



Showcase: Completed Projects

M&E: SolarNova 1 PV installation | Temasek Polytechnic



ID: Bella Marie France | Nee Soon Community Club

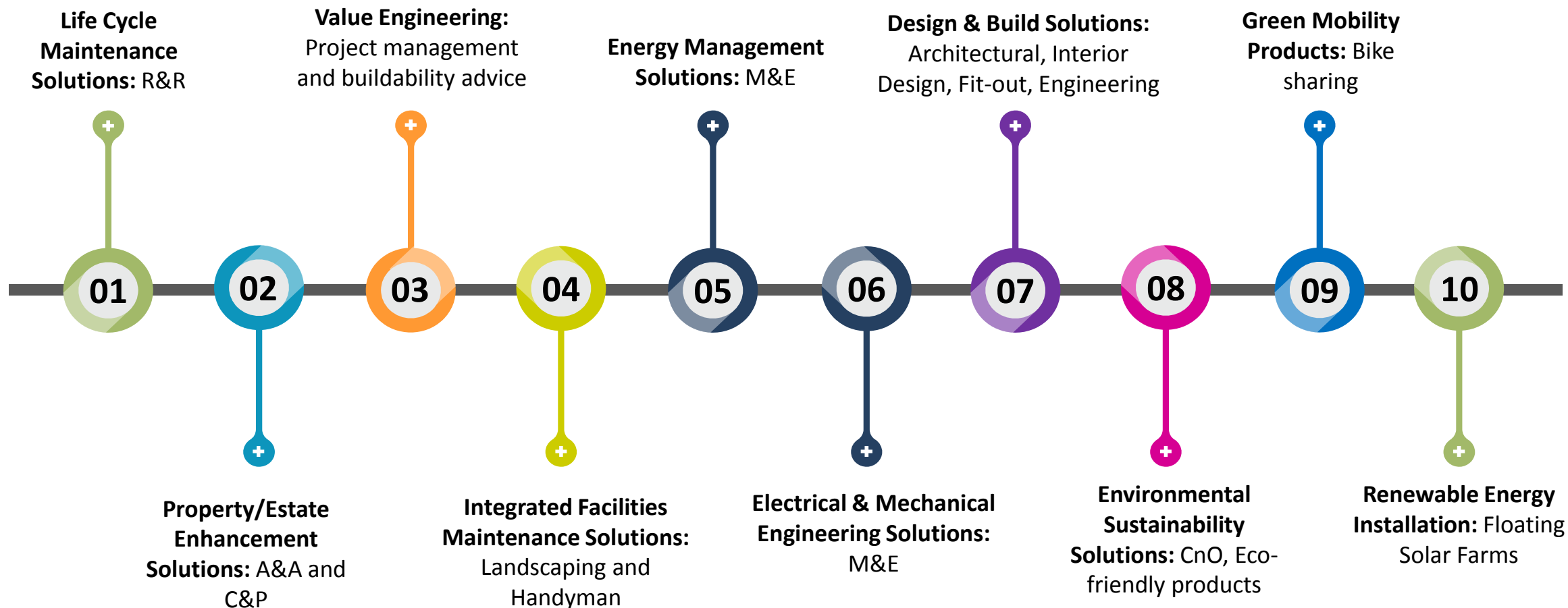


Landscaping: Geylang Serai Market | Floating modules, Pulau Ubin



Multi-disciplinary Capabilities

We provide sustainable solutions for a better built environment



Summary: Ongoing Projects

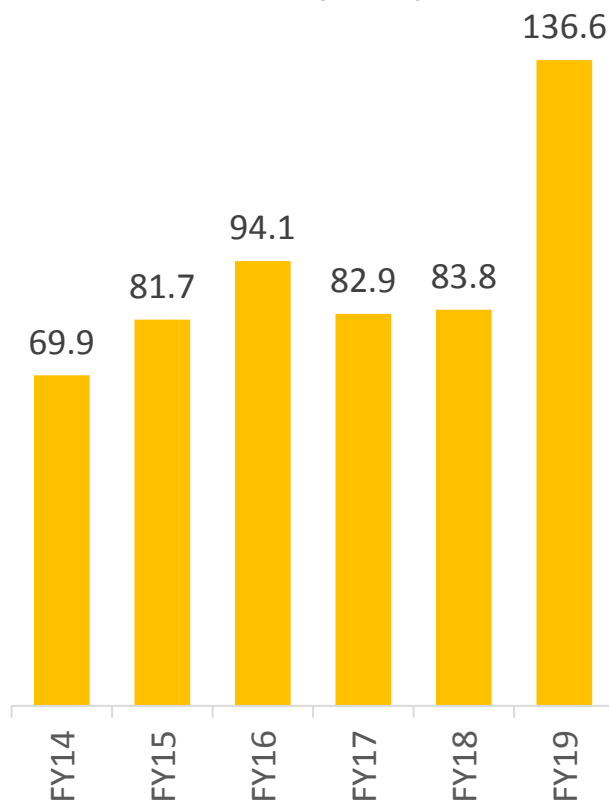
	FY2018		FY2019	
	Number	Value (S\$'m)	Number	Value (S\$'m)
R&R	18	32.2	25	61.9
A&A	14	120.3	17	101.2
C&P	49	21.2	65	32.8
Others	40	33	47	39.5

FINANCIAL HIGHLIGHTS



Revenue

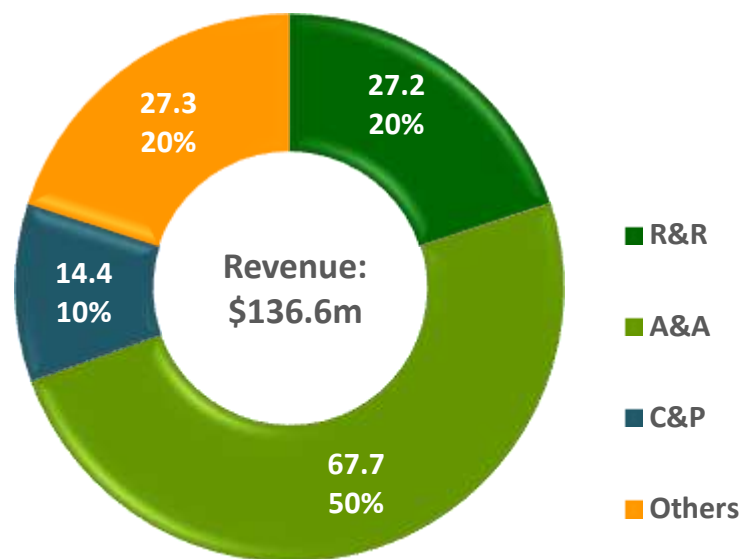
Revenue (\$\$'m)



- Yoy revenue +63%
- 5-yr CAGR + 14.3%

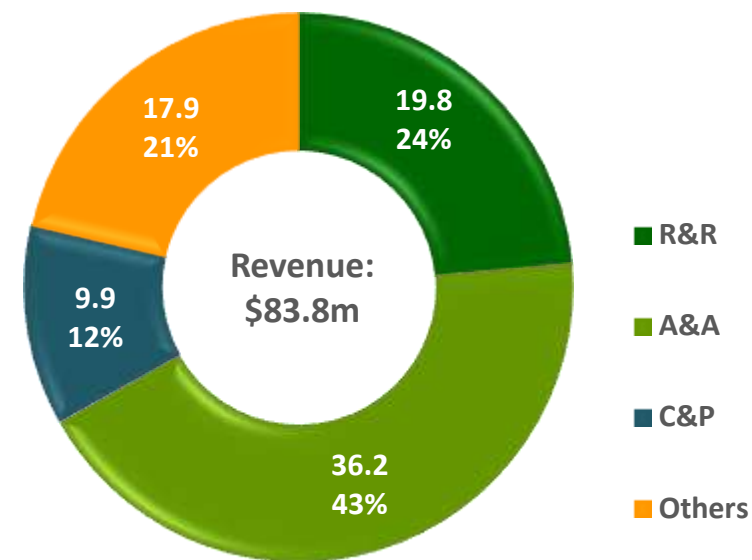
Revenue by Business Segments:

FY2019 (\$\$'m)



- R&R revenue +37.9%
- A&A revenue +86.8%
- C&P revenue +45.0%
- Others revenue +52.6%

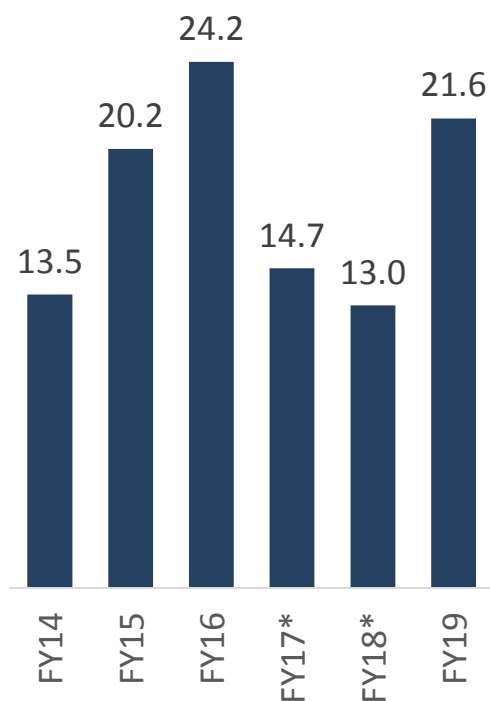
FY2018 (\$\$'m)



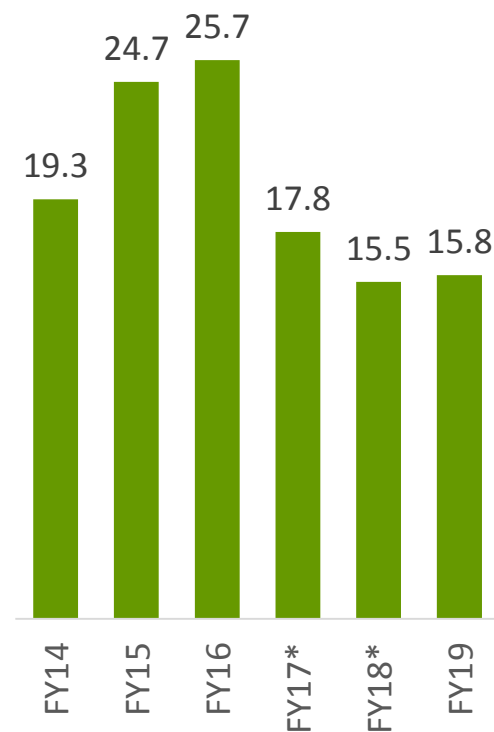
- "Others": Commercial interior designs (ID); home retrofitting business, landscaping works; leasing service; waterproofing, green solutions business, mechanical and electrical engineering works and handyman services

Profit

Gross Profit (\$\$'m)



Gross Profit Margin (%)



* FY17 and FY18 restated to reflect adoption of SFRS(I)

Income Statement: Expenses

KEY EXPENSES (\$\$'M)	FY2019	FY2018*	Chg (%)^
Cost of sales	(115.0)	(70.8)	62.3
Marketing and distribution expenses	(1.2)	(1.7)	(32.0)
General and administrative expenses	(14.8)	(12.9)	14.5
Other operating expenses	(0.4)	(0.4)	(6.6)
Finance costs	(1.2)	(0.6)	104.2
Tax (expense)/ credit	(1.0)	0.5	NM

- * Restated to reflect adoption of SFRS(1)
- ^ Any variances in percentage changes are due to rounding
- NM denotes "not meaningful" if percentage change is more than 300%

Key Financial Highlights

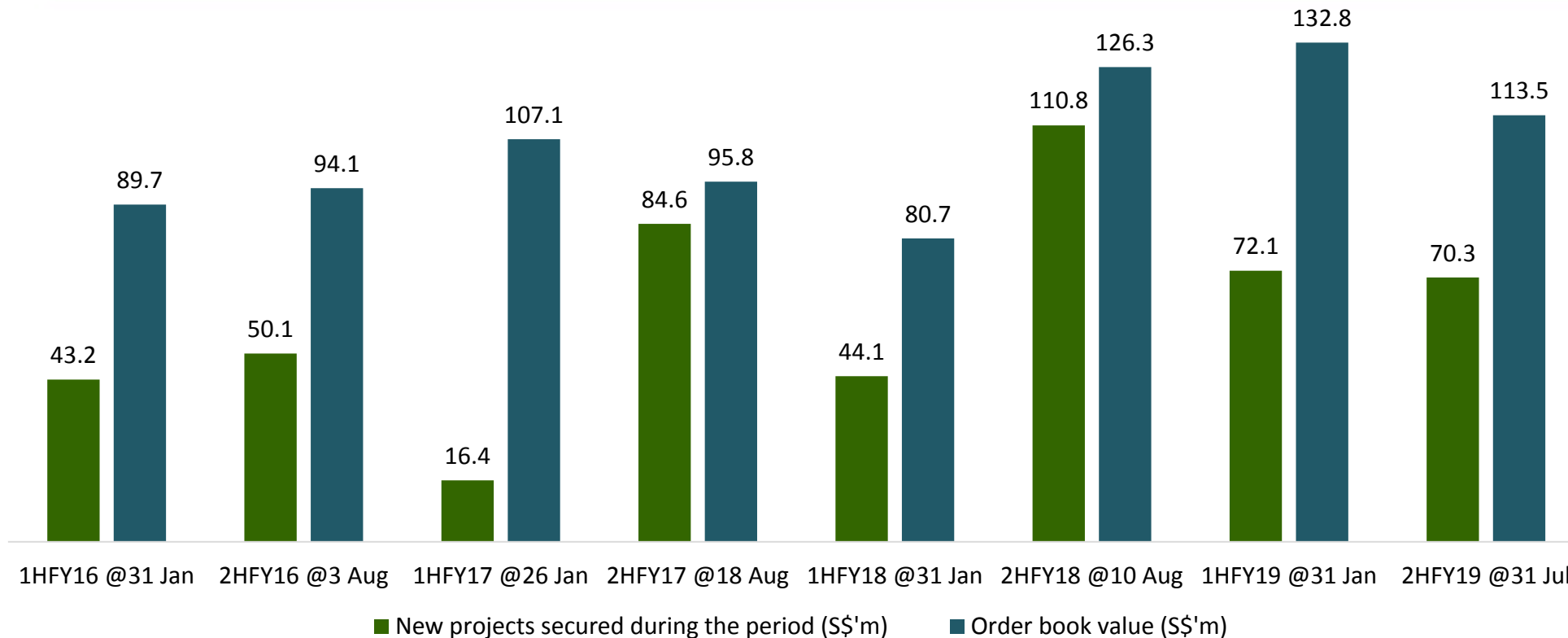
KEY HIGHLIGHTS	FY2019	FY2018 ⁽³⁾
PROFITABILITY RATIOS⁽¹⁾		
Earnings Per Share ⁽²⁾ (cents)	2.37	0.17
Return On Assets (%)	5.1	(0.3)
Return On Equity (%)	10.6	(0.5)
BALANCE SHEET		
Current assets (S\$'m)	78.9	56.0
Cash and bank balances (S\$'m)	9.0	12.2
Net current assets (S\$'m)	28.7	23.4
Net assets (S\$'m)	59.2	53.6
KEY OPERATING RATIOS		
Profit/(loss) before tax margin (%)	5.3	(1.0)

(1) Adjusted and Normalised

(2) Calculation of EPS is based on the weighted average number of ordinary shares of 284,508,757 shares in FY2018 and 284,725,505 shares in FY2019

(3) Restated to reflect adoption of SFRS(1)

Order Book Trend



Book orders of S\$113.5 million as at 31 July 2019 to be progressively delivered over the next two years

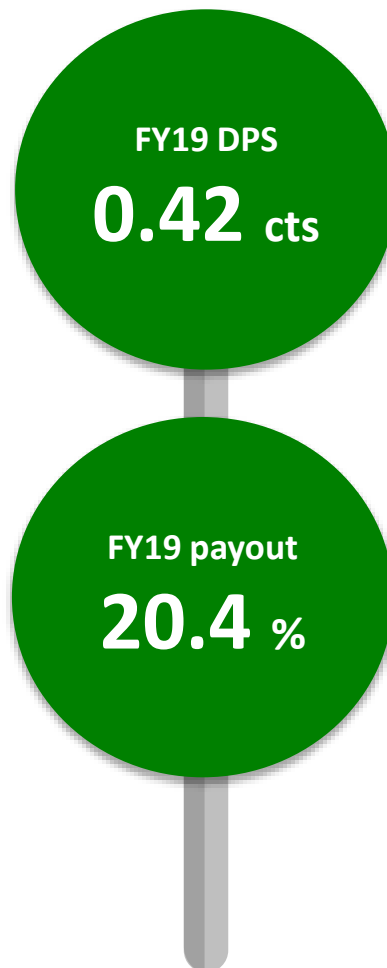
Dividend Payout

Dividend Policy

- At least 20% of consolidated profit after tax and minority interests, excluding non-recurring, one-off and exceptional items

FY2019 Dividend

- Per share: S\$0.42
- Payout: 20.4%





MARKET OPPORTUNITIES

Government Initiatives

- HIP extended to 230,000 flats built between 1987-1997
- All flats to be upgraded twice under HIP & HIP II
- Recurring NRP programme

05

- Hawker Centre Upgrading Programme

04

- Round Island Route Programme

03

- Neighbourhood Renewal Programme every 12-15 years

02

- Repainting of external walls every 5 years (R&R project cycle)

01

Expanded HIP Scheme and HIP II



Ageing HDB flats to be selected for upgrading works from 2020



The Home Improvement Programme flats will come from among the 230,000 homes built between 1967 and 1987. PHOTO: KEOH CHAI.

PUBLISHED: MAR 7, 2019, 5:16 PM SGT



Rachel Au Yong, Freelance Correspondent

SINGAPORE - Ageing public housing towns will remain livable as the Housing Board begins choosing a second batch of flats for upgrading works in 2020.

- Existing **HIP** will be expanded to include housing blocks built up to **1997**
 - To benefit another 230,000 flats in Tampines, Pasir Ris, Yishun, Jurong and other housing towns
 - Flats eligible for expanded HIP to be announced in 2019; completion of upgrading expected within a few years
- New multi-billion dollar **HIP II** to upgrade flats that are **60 to 70 years old**
 - Upgrades flats for a second time during their 99-year lease
 - To be launched in 10 years
- **VERS**: The Government will progressively take back flats that reach about 70 years of age, and **redevelop older towns over two to three decades**.
 - VERS will start 20 years down the road.

Straits Times, 7 March 2019

Greening Trends

SolarNova

- 350 MWp of solar power in Singapore by 2020;
- 1 GWp beyond 2020

Green Mark

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

LUSH

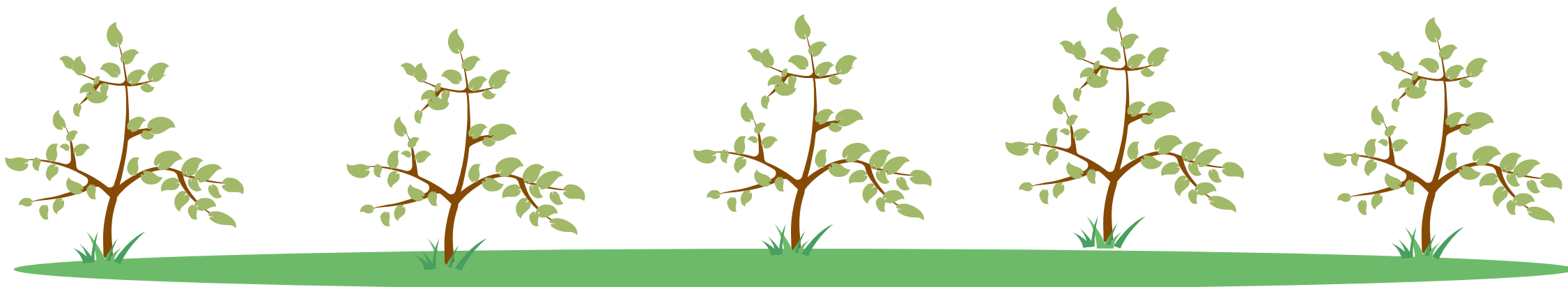
- City in the Garden identity
- Urban farming and rooftop garden
- 200 ha of high-rise greenery by 2030

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



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



- 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 to 1Q2019.



A floating solar photovoltaic system is being tested in the Tengoh Reservoir in 2016. The system is expected to be scaled up to 50 MWp by 2021.

PUBLISHED FEB 6, 2019 6:00 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 the 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).



PUB is planning to deploy a massive floating solar panel system in the Tengoh Reservoir by 2021. The system is expected to be scaled up to 50 MWp by 2021.

PUBLISHED MAR 7, 2019 10:00 AM SGT



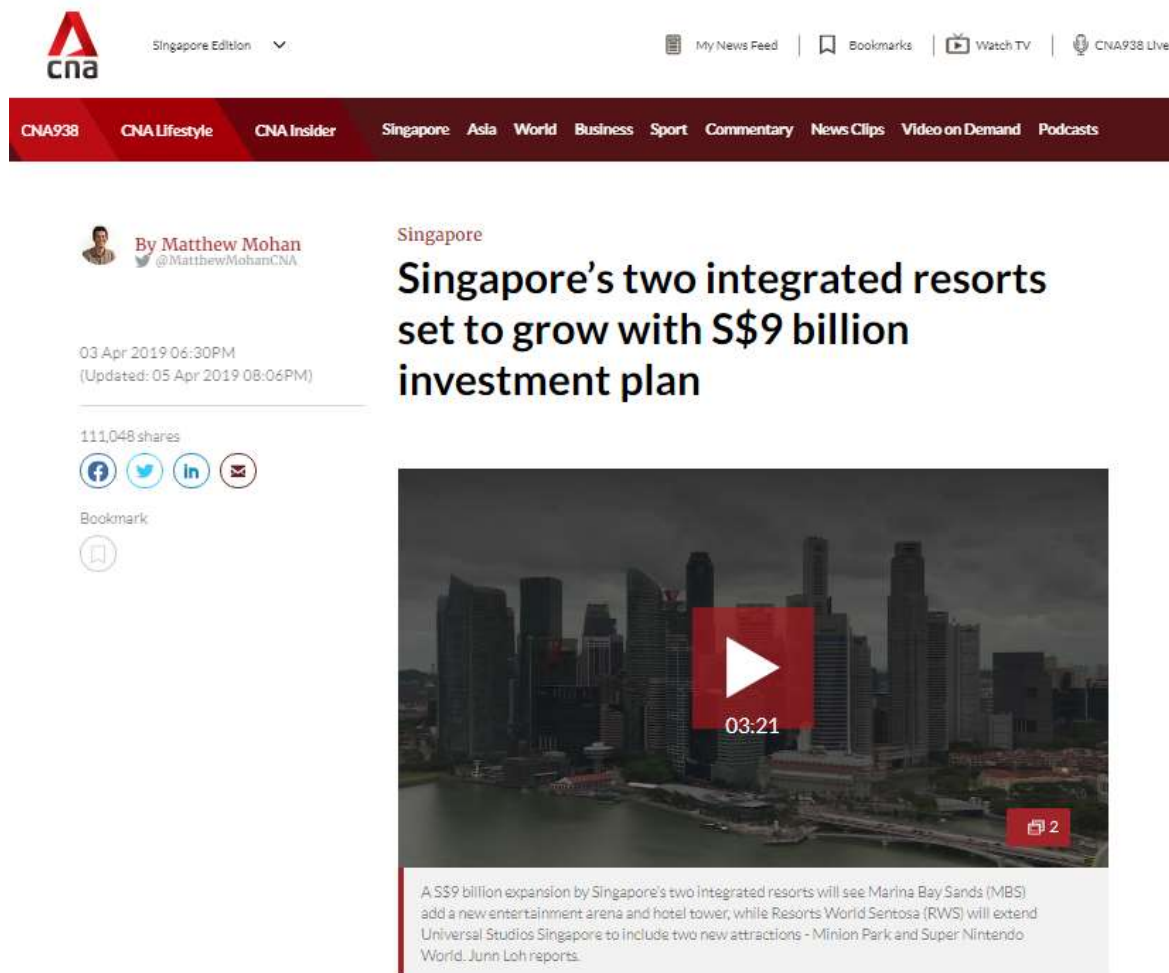
The system, to be set up in Tengoh Reservoir by 2021, will power water treatment processes.

Updated 3/7/19

One of the world's largest single floating solar photovoltaic (PV) systems will find a home in the waters of Singapore's Tengoh Reservoir by 2021.

- Tengoh Reservoir: PUB to deploy a 50MWp floating solar panel system by 2021
- Seeking proposals from companies to design, build, own and run it

Planned S\$9 Billion Investment by Singapore's Integrated Resorts



The screenshot shows a news article from CNA Singapore. The article is titled "Singapore's two integrated resorts set to grow with S\$9 billion investment plan" and is written by Matthew Mohan. It was published on 03 Apr 2019 at 06:30PM and updated on 05 Apr 2019 at 08:06PM. The article has 111,048 shares. The main image is a video thumbnail showing a city skyline with a red play button and a duration of 03:21. Below the image, a caption reads: "A S\$9 billion expansion by Singapore's two integrated resorts will see Marina Bay Sands (MBS) add a new entertainment arena and hotel tower, while Resorts World Sentosa (RWS) will extend Universal Studios Singapore to include two new attractions - Minion Park and Super Nintendo World. Junn Loh reports."

MBS: Approximately S\$4.5 billion

- A 15,000-seat indoor entertainment arena
- A 4th tower with about 1,000 all-suite hotel rooms, a sky roof with a swimming pool; a "signature restaurant"
- New MICE facilities - ballrooms; exhibition halls and F&B offerings

RWS: Approximately S\$4.5 billion; Expected to be completed in phases by 2025

- 2 new attractions at USS - Minion Park and Super Nintendo World
- Expand the S.E.A Aquarium
- A new waterfront lifestyle complex
- 2 new destination hotels with up to 1,100 rooms
- A new Adventure Dining Playhouse
- New MICE facilities

NEW DEVELOPMENTS



Recent Acquisition: SG Bike



SG Bike to acquire Mobike's bike-sharing licence and fleet

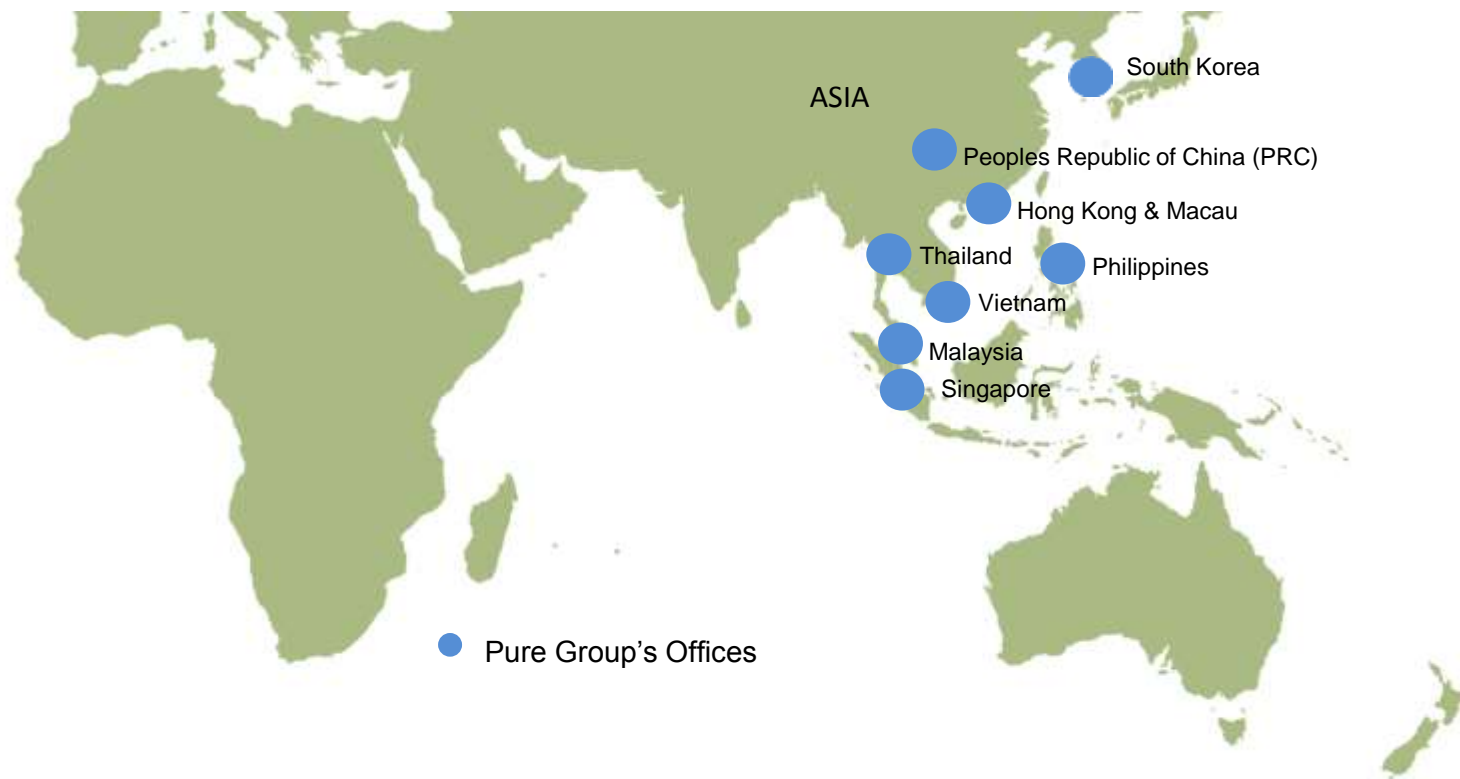
- **Acquisition consideration:** S\$2.54 million
 - Consists of a refundable security deposit of S\$0.76 million, license fees of S\$1.20 million and payment of S\$0.58 million for 25,000 bikes
 - All assumed liabilities to be treated as credit upon transfer of licenses to SG Bike. Mobike will undertake to refund all deposits in full
- **Significance:**
 - SG Bike's fleet will expand from 3,000 to 28,000 bikes, making it the largest bike sharing operator in Singapore
 - Ability to strategically deploy bikes to serve more areas in Singapore
 - Existing Mobike users can transfer their account balances and ride passes to SG Bike via the latter's app for a smooth transition

** Subject to the approval of Land Transport Authority.*

Proposed Acquisition: Pure Group

About Pure Group

- A Project Management / Construction Management services provider with geographical spread across major SEA markets including North Asia
- Local and international clients across multiple industries in the private sector including capital markets, REITS, integrated resorts, data center owners
- Services include:
 - Project Management
 - Design Management
 - Construction Management
 - Contract Administration
 - Programme Management
 - Environmentally Sustainable Design and Advisory Services
 - Risk and Stakeholder Management



Diverse Regional Client Base



LANDLORDS / DEVELOPERS:

- IKANO;
- LAS VEGAS SANDS CORP.
- FREEPORT;
- TAUBMAN ASIA
- MEGA BANGNA;
- PRADERA RETAIL ASIA;
- MELCO-CROWN ENTERTAINMENT;
- AEON MALLS;
- MARINA BAY SANDS;
- GALAXY ENTERTAINMENT GROUP;
- MAPLETREE; AND
- VANGUARD HOTELS.

RETAILERS / OPERATORS / CONSULTANTS:

- TAKASHIMAYA;
- CGV CINEMAS;
- CBRE;
- DFS;
- TASAKI;
- PANGAEA / THE AULT GROUP;
- LONG CHIM BY DAVID THOMPSON;
- SWAROVSKI.

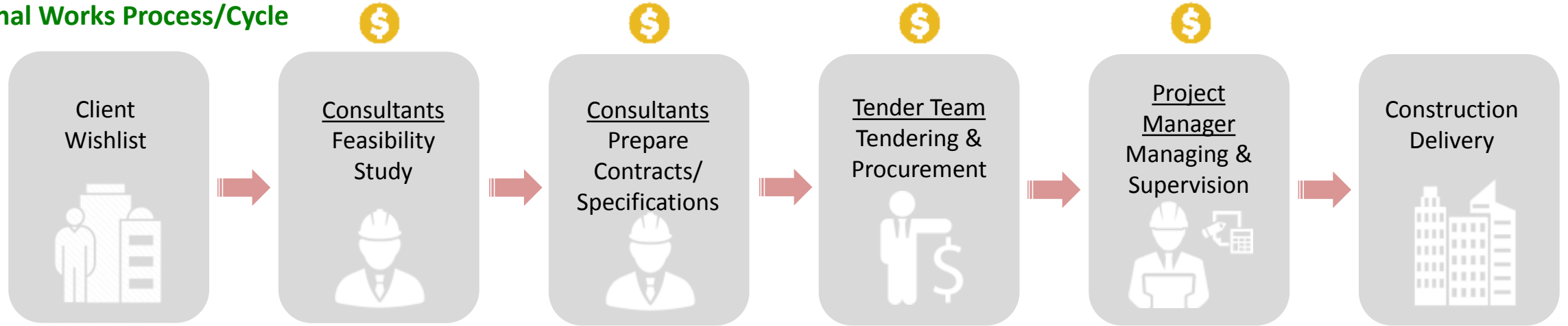
Pls refer to appendix for some of Pure Group's projects showcase

Acquisition Rationale- Pure Group

- **Immediately earnings accretive**
 - Pure Group commands healthy historical margins
- **To move up the value chain**
 - Project management mainly deals with high-value and fast-track projects
 - Acquisition will allow ISOTeam to move up the industry value chain from upgrading contractor to project management or turnkey contractor status
- **To gain additional skills and capabilities**
 - Acquire new capabilities to handle a full suite of services from planning, design, project management, construction and delivery
 - Acquire end-to-end expertise from conception to delivery including provide design input to architects, undertake capital planning for projects and actively create quality and value
- **To diversify into and significantly strengthen ISOTeam's presence in the region and in private sectors**
 - Incremental revenue with minimum overheads increase
- **To more effectively leverage / capitalize on ISOTeam TMG's capabilities and experience**
 - Proprietary Project management System owned by Pure Project to be replicated to the entire enlarged group

Changing The Game

Traditional Works Process/Cycle



NEW Turn-key Works Process/Cycle



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



4 Team

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



5 Future

- Strong order book (\$113.5M @ 31 July 2019)
- 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

Pure Group Project Highlights

GO HOTELS PHILIPPINES ROLLOUT



YARDBIRD SOUTHERN TABLE & BAR, SINGAPORE



SOUTHERN STAR FIT INDUSTRIAL HUB,
PHILIPPINES



VIVID HOTELS KL SENTRAL & PENANG, MALAYSIA



SWAROVSKI SEA PM SERVICES, SINGAPORE



HAUNI MANUFACTURING FACILITY, MALAYSIA

