



**1HFY2019  
Corporate  
Presentation  
February 2019**

# CONTENTS

1. Overview
2. Business Highlights
3. Financial Highlights
4. Business Plans
5. Q & A

*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. The Sponsor has not independently verified the contents of this presentation. This presentation has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this presentation, including the correctness of any of the statements or opinions made, or reports contained in this presentation. The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.*

# Overview



# ABOUT US

- 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 **424** building refurbishment and upgrading projects for approximately **4,344** buildings since 1998
  - A trusted **local** and growing **regional** brand

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

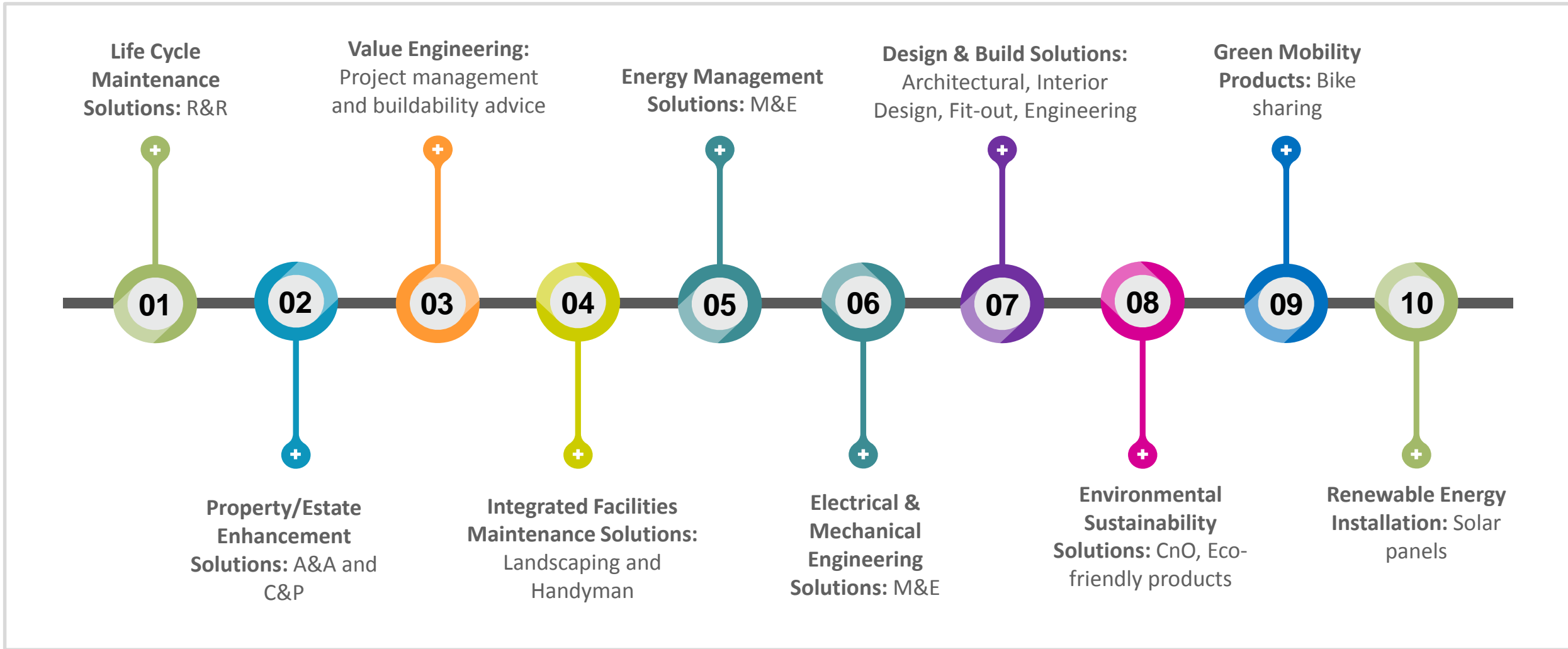


# CORPORATE STRUCTURE

<b>Raymond Construction Pte Ltd</b> ▶ Addition & Alteration	100%	5 subsidiaries upon listing involved mainly in R&R- and A&A- related works
<b>ISO-Team Corporation Pte Ltd</b> ▶ Addition & Alteration; Repair & Redecoration	100%	
<b>TMS Alliances Pte. Ltd.</b> ▶ Repair & Redecoration	100%	
<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%	Substantially grew scale of operations with acquisition of 4 complementary business units in October 2014
<b>ISOteam C&amp;P Pte. Ltd.</b> ▶ Specialist coating & painting	100%	
<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%	Acquired in December 2015
<b>ISOTEAM TMG Pte. Ltd.</b> ▶ Specialist addition & alteration; architectural and commercial interior design	100%	
<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>ITG Projects Sdn Bhd</b> ▶ Interior design works in Malaysia	55%	Malaysian JV company established in October 2016
<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

# MULTI-DISCIPLINARY CAPABILITIES TO CATER TO THE BUILT ENVIRONMENT

We are in the business of providing sustainable solutions for a better built environment



## R&R: ONE OF SINGAPORE'S TOP PLAYERS



### What we do:

- Repainting, repair and redecoration
- Waterproofing and reroofing
- Improvement works
- Routine maintenance
- Term contract works

**326** public housing R&R projects completed to-date

**965** private residential R&R projects completed to-date

- Exclusive applicator for SKK<sup>(1)</sup> and Nippon Paint<sup>(2)</sup>
- BCA L5 Financial Grading (CR09)
- Wide-ranging customer segments in the public and private sector

*(1) SKK - public housing sector (since 1998) + JTC/HDB industrial projects and army camps (since 2013)*

*(2) Nippon Paint - HDB and town councils sector (since 2004)*

## A&A: A RECOGNISED INDUSTRY LEADER



### What we do:

- Neighbourhood Renewal Programme (NRP)
- Hawker Centre Upgrading Programme (HUP)
- Estate Upgrading Programme (EUP)
- Home Improvement Programme (HIP)
- Electrical Load Upgrading (ELU)

**24** NRP projects completed to-date

**37** markets and food centres for HUP and R&R projects completed to-date

**2** HIP project currently ongoing

- BCA B1 Financial Grading (CW01)<sup>(3)</sup>
- ISO Team Corporation upgraded to BCA B1 Financial Grading in August 2017
- Wide ranging customer base with the main source of income from public sector estate upgrading programmes
- Strong track record

*(3) Raymond Construction Pte. Ltd.*



# C&P: A NICHE BUSINESS

Singapore Art Museum | The Salvation Army



## What we do:

- New build painting
- Eco-friendly coating
- Architectural and protective coating
- Fireproofing coating
- Niche industrial coating

Diverse customer segments:  
| Residential | Commercial |  
Industrial | Community |  
Institutional



Singapore Art Museum | The Salvation Army | Gardens by the Bay | Australian International School | Yishun Community Hospital | Tuas Bay Close

# OTHERS

## ARCHITECTURAL & ENGINEERING SOLUTIONS

- Commercial A&A works
- Building services
- Engineering works
- Architectural & commercial interior construction solutions
- Advanced building technologies

## MECHANICAL & ELECTRICAL

- Electrical works
- Mechanical ventilation works
- Security, fire protection system
- Sanitary and plumbing services
- Energy management contracts

## ID

- Interior design and fitting-out
- Design and build works
- Home retrofit and fit-out services
- Property maintenance and enhancement

## LANDSCAPING

- Vertical gardens
- Horticulture services and maintenance (public and private sectors)
- Floating plantings

## DIGITAL HANDYMAN SERVICES

- Home care and upgrading
- General repairs and maintenance

## HEIGHT ACCESS EQUIPMENT

- Leasing of boom lifts, scissor lifts, personnel lifts, forklifts and telehandlers

## ECO-FRIENDLY SOLUTIONS

- Thermal insulating plaster
- Anti-slip floor coating
- Green label intumescent fireproofing coating
- Composite timber decking
- Renewables installation
- Cockroaches and Odour Remover (CnO)

## BIKE SHARING

- Next generation bike sharing using virtual docking stations



# WHY INVEST IN ISOTEAM?

## 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

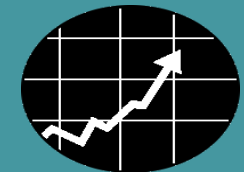
- Multi-disciplinary services
- Able to handle a wide spectrum of projects
- Evolved into a green solutions provider

## 4 Team

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

## 5 Future

- Strong order book (\$132.8M @ 31 Jan 2019)
- Upside from new business units
- Tapping into new sectors
- Positive prospects in Singapore
- Overseas expansion
- Lower default risk
- Minimum dividend payout of 20%



# BUSINESS HIGHLIGHTS



# RECAPPING FY2018 - NOW

## Feb – Mar 2018

- Jasdac-listed Taisei Oncho acquires 34.1% interest in ISO Integrated M&E; JV with Taisei Oncho
- Secures 26 projects worth S\$24.2M



## May – Jun 2018

- Acquires landscaper, Chinensis Enterprise
- Secures 7 contracts worth S\$52.6M (largest A&A project: S\$46.5M)
- 1st shared bike co. to submit licensing application to LTA



## Oct - Nov 2018

- SG Bike obtains LTA license
- Secures 23 contracts worth S\$23.7M

- Centralises operations at new HQ in Changi



## Apr 2018

- Signs research collaboration agreement with HDB to jointly develop offshore floating solar technology for the marine environment
- NEA clears 1<sup>st</sup> set of data for approval of CnO as Botanical Pesticide



## Jul 2018

- Secures S\$48.3M in new projects including 2nd HIP and Singapore's largest offshore floating solar panel system



## Jan 2019

# R&R UPDATES

	1HFY2018	1HFY2019
Projects completed (No.)	3 (21 blocks)	5 (64 blocks)
Ongoing projects (No.)	14	21
Ongoing projects (\$M)	25.7	44.7



*Punggol town estate*



*Toa Payoh town estate*



# A&A UPDATES

	1HFY2018	1HFY2019
Projects completed (No.)	7	2
Ongoing projects (No.)	15	15
Ongoing projects (\$M)	100.0	145.7



NRP: Yishun Town Council



Acid Bar (Emerald Hill)



RWS Equarius Hotel



\* Includes A&A projects by ISOTeam TMG

# C&P UPDATES

	1HFY2018	1HFY2019
Projects completed (No.)	7	15
Ongoing projects (No.)	49	55
Ongoing projects (\$M)	22.0	28.9

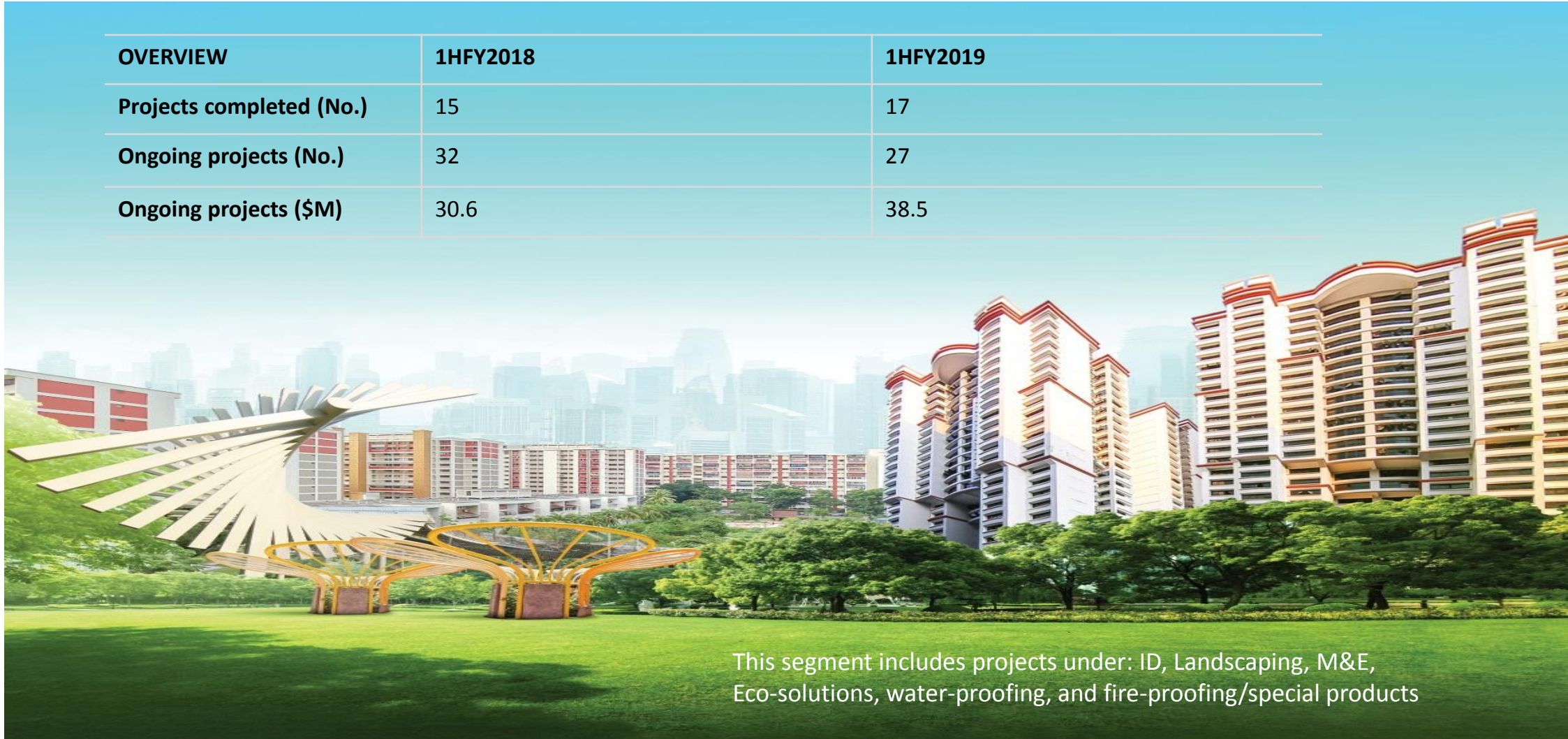


*Seng Kang General Hospital | Singapore Management University | Mimosa Park Condominium | Tuas Bay Close*



# OTHERS UPDATES

OVERVIEW	1HFY2018	1HFY2019
Projects completed (No.)	15	17
Ongoing projects (No.)	32	27
Ongoing projects (\$M)	30.6	38.5



This segment includes projects under: ID, Landscaping, M&E, Eco-solutions, water-proofing, and fire-proofing/special products

# OTHERS: MECHANICAL & ELECTRICAL ENGINEERING SOLUTIONS

	1HFY2018	1HFY2019
Projects completed (No.)	3	Nil
Ongoing projects (No.)	9	7
Ongoing projects (\$M)	13.3	20.5



*SolarNova 1 PV installation | Kranji Recreation Centre | CHIJ Our Lady of Good Counsel*

## OTHERS: INTERIOR FITTING-OUT

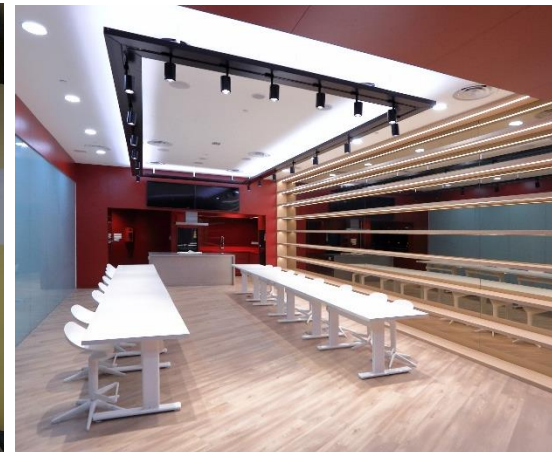
	1HFY2018	1HFY2019
<b>Projects completed (No.)</b>	6	10
<b>Ongoing projects (No.)</b>	6	3
<b>Ongoing projects (\$M)</b>	1.4	0.7



*Bella Marie France*



*Nee Soon Community Club*



## OTHERS: LANDSCAPING

	1HFY2018	1HFY2019
Projects completed (No.)	4	3
Ongoing projects (No.)	8	10
Ongoing projects (\$M)	4.3	6.3



*Landscaping for Serangoon Town Council NRP*

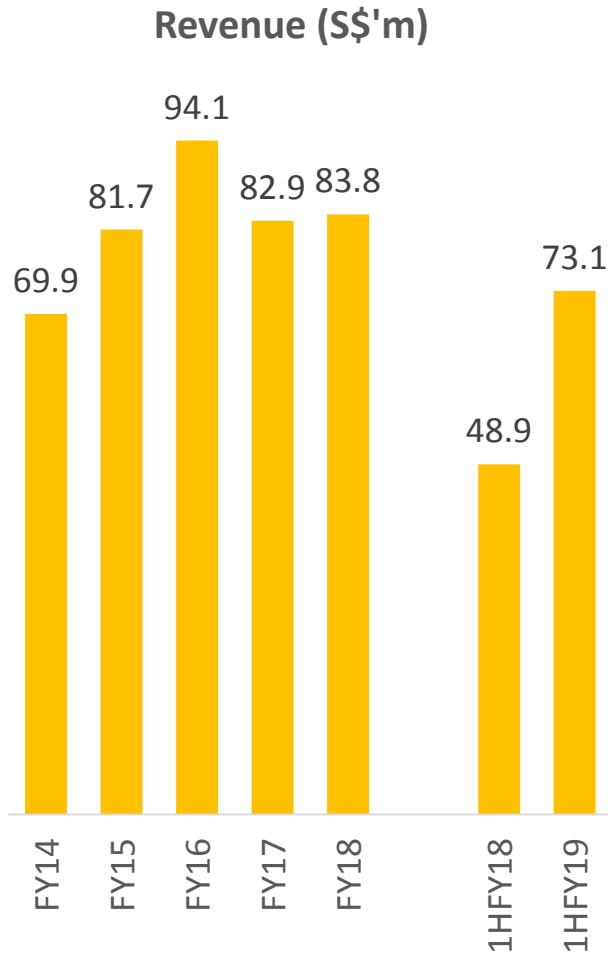


*Floating modules at Pulau Ubin*

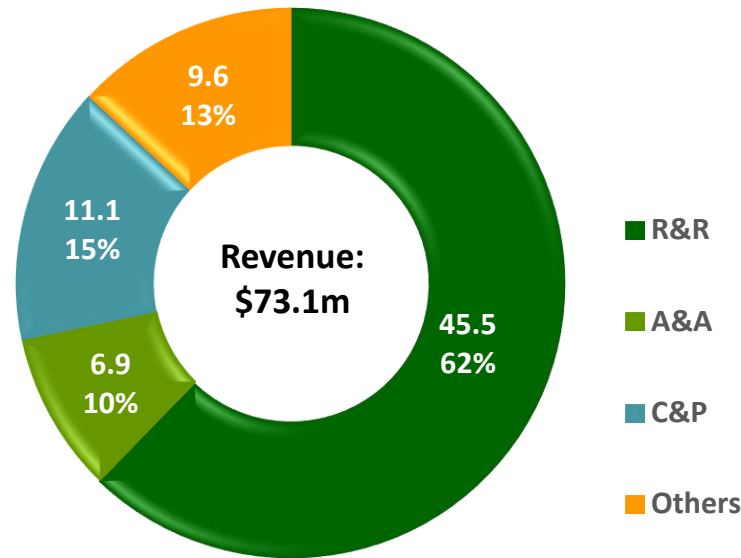
# FINANCIAL HIGHLIGHTS



# REVENUE

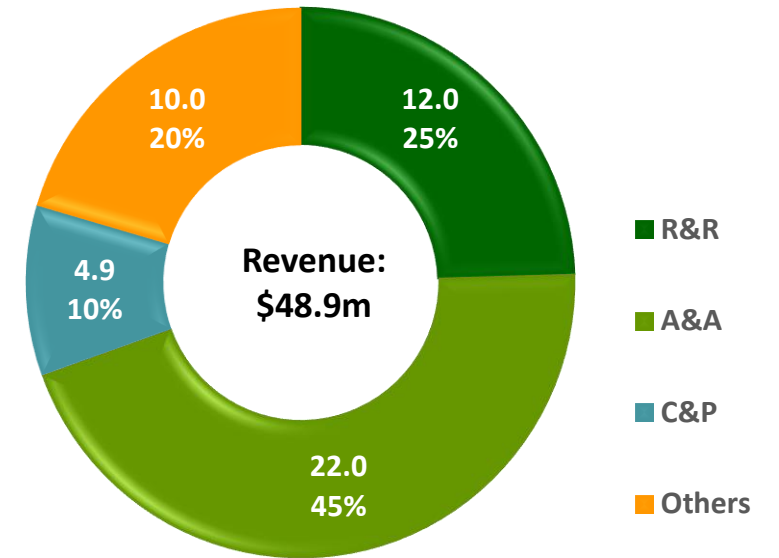


Revenue by Business Segments:  
1HFY2019 (S\$m)



- R&R revenue -19.8%
- A&A revenue +106.6%
- C&P revenue +41.5%
- Others revenue +11.6%

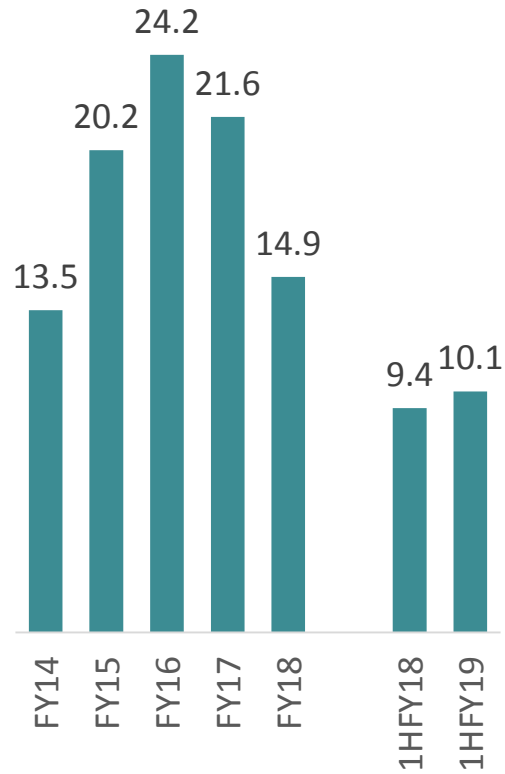
1HFY2018 (S\$m)



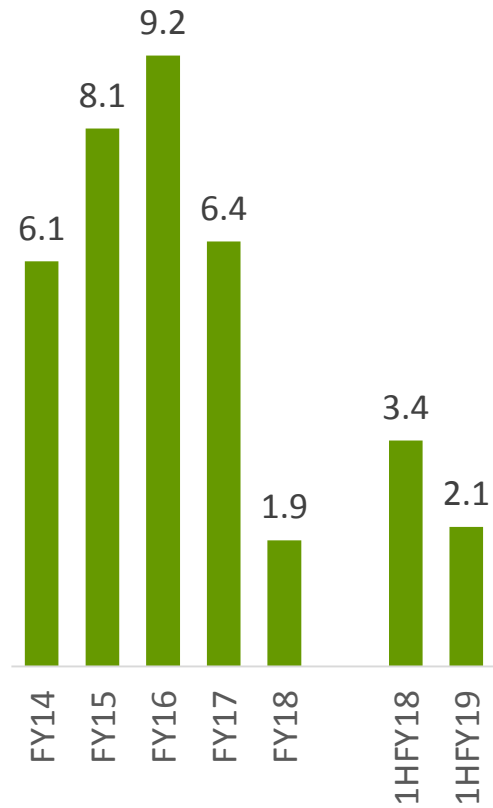
- "Others": Commercial interior designs (ID); home retrofitting business, landscaping works; leasing service; waterproofing, green solutions business, mechanical and electrical engineering works and handyman services

# PROFIT

Gross Profit (S\$'m)



Net Attributable Profit (S\$'m)



(%)	Gross Profit Margin	Net Profit Margin
<b>FY13</b>	17.0	12.5
<b>FY14</b>	19.3	8.7
<b>FY15</b>	24.7	9.9
<b>FY16</b>	25.7	10.2
<b>FY17</b>	26.1	8.1
<b>FY18</b>	17.8	0.9
<b>1HFY18</b>	19.3	5.8
<b>1HFY19</b>	13.8	2.5



## INCOME STATEMENT: EXPENSES

KEY EXPENSES (\$\$'M)	FY2018	1HFY2018	1HFY2019	Chg (%)^
Cost of sales	(68.9)	(39.4)	(63.0)	59.7
Marketing and distribution expenses	(1.8)	(0.8)	(0.6)	(24.6)
General and administrative expenses	(13.7)	(6.0)	(6.8)	13.1
Other operating expenses	(0.4)	(0.2)	(0.2)	(2.7)
Finance costs	(0.6)	(0.4)	(0.5)	43.1
Tax credit/(expense)	0.5	(0.1)	(0.6)	NM

*^ Any variances in percentage changes are due to rounding*

*NM denotes "not meaningful" if percentage change is more than 300%*



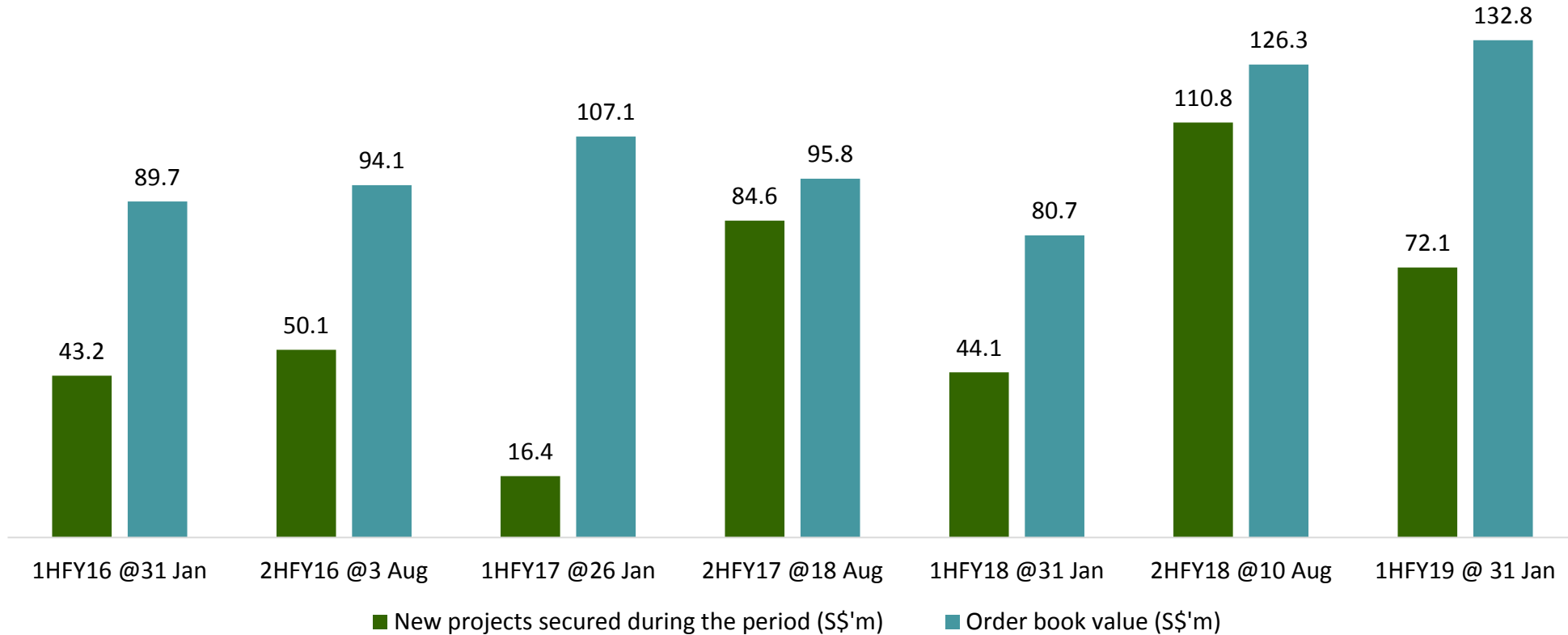
# KEY FINANCIAL HIGHLIGHTS

KEY HIGHLIGHTS	FY2018	1HFY2018	1HFY2019
<b>PROFITABILITY RATIOS<sup>(1)</sup></b>			
Earnings Per Share <sup>(2)</sup> (cents)	0.66	1.28	0.76
Return On Assets (%)	1.1	2.8	1.5
Return On Equity (%)	2.0	5.1	3.4
<b>BALANCE SHEET</b>			
Current assets (S\$'m)	64.4	64.8	96.8
Cash and bank balances (S\$'m)	12.2	14.1	17.2
Net current assets (S\$'m)	31.4	32.9	35.3
Net assets (S\$'m)	61.6	60.1	62.7
<b>KEY OPERATING RATIOS</b>			
Profit before tax margin (%)	0.9	6.5	3.7
Net operating profit margin (%)	1.5	7.3	4.4

(1) Adjusted and Normalised

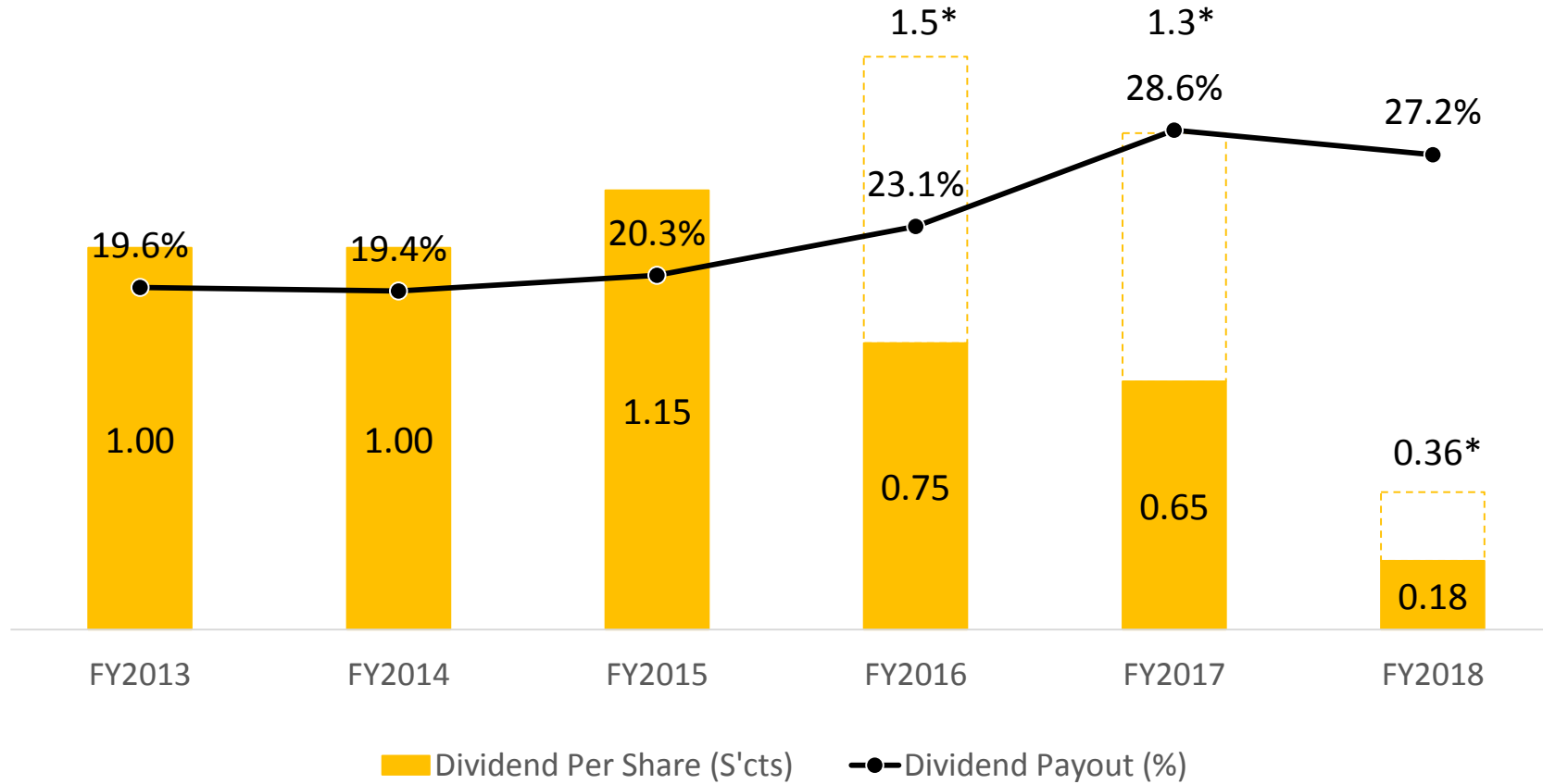
(2) Calculation of EPS is based on the weighted average number of ordinary shares of 284,508,757 shares in FY2018, 284,035,546 shares in 1HFY2018, and 284,935,584 shares in 1HFY2019

# ORDER BOOK TREND



**Book orders of S\$132.8 million** as at 31 January 2019 to be progressively delivered over the next two years

# 20% DIVIDEND POLICY



\* ISOTeam undertook a 1-for-1 bonus share issue on 23 February 2016 . The dotted lines on the bars illustrate ISOTeam's dividend per share if the bonus issue were not taken into account

# **BUSINESS PLANS**



## 1. GOVERNMENT INITIATIVES

### HDB

- Extension of HIP to 230,000 HDB flats built between 1987 and 1997
- All flats to be upgraded twice under HIP & HIP II

### NEA

- Hawker Centre Upgrading Programme

### MND

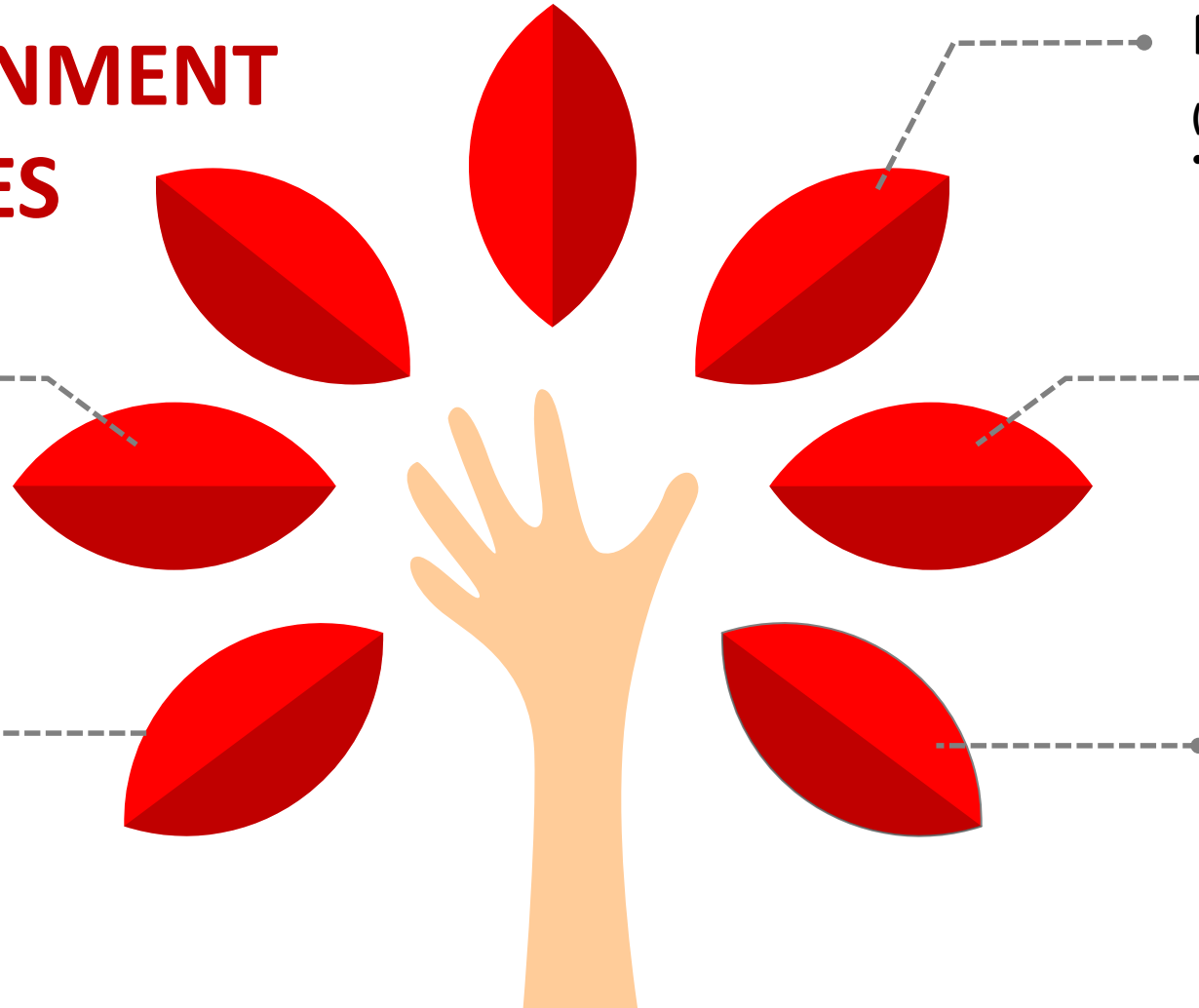
- (Ministry of National Development)
- Repainting of external walls every 5 years (R&R project cycle)

### BCA

- Facade inspection every 7 years

### NParks

- Round Island Route Programme



# POTENTIAL OF HIP – EXPANDED HIP SCHEME AND HIP II

## THE STRAITS TIMES

National Day Rally 2018: All HDB flats will be upgraded twice under expanded Home Improvement Programme



*Straits Times, 19 Aug 2018*

- 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.

## 2. GREENING TRENDS

### 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

### 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

(Landscaping for Urban Spaces and High-Rises)

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



## Sunseap to build one of the world's largest offshore floating solar farms along Straits of Johor

© FRI, NOV 09, 2018 - 12:16 PM

JANICE HENG ✉ janiceh@sph.com.sg 🐦 @JaniceHengBT



Sunseap Group is developing one of the world's largest offshore floating photovoltaic systems, to be located along the Straits of Johor north of Woodlands Waterfront Park. PHOTO: ARTIST'S IMPRESSION COURTESY OF SUNSEAP GROUP

SUNSEAP Group is developing one of the world's largest offshore floating photovoltaic systems, to be located along the Straits of Johor north of Woodlands Waterfront Park - a site which the government's Pro-Enterprise Panel (PEP) helped to identify.

Supported by the Singapore Economic Development Board (EDB), the five megawatt-peak system will generate about 6,388 megawatt-hours of renewable energy annually, once completed. This is equivalent to powering about 1,250 four-room flats, with a reduction in greenhouse gas emissions of about 2,600 tonnes every year. The five-hectare pilot in Woodlands is expected to be commercially operational early next year.

31 October 2018

News, wherever you are.  
Stay updated with our WhatsApp/Telegram service. Send PUB to 91216484 on WhatsApp or 94881272 on Telegram.

He set you thinking  
**TODAY**  
MONDAY 14 JANUARY 2019

Cut through the clutter.  
Subscribe to our email newsletter for the day's essential news, straight to your inbox.

Singapore World Big Read Opinion Visuals Brand Spotlight 8 DAYS

### Floating solar panels in Kranji could be option for private firms seeking to cut carbon footprint



TODAY file photo  
The PUB previously proposed introducing floating solar panels at Bedok, Lower Seletar and Upper Peirce Reservoirs. On Wednesday, the Economic Development Board and PUB said the national water agency will deploy a 50MWp floating solar panel system at Tengeh Reservoir by 2021.

Published 31 OCTOBER, 2018 UPDATED 31 OCTOBER, 2018

67 Shares

SINGAPORE — Could the option to tap solar energy be a draw for investors in Singapore? The Economic Development Board (EDB) thinks so.

If things go according to plan, a private company could in future tap energy from floating solar panels at Kranji Reservoir.

- Kranji Reservoir: EDB to explore the potential deployment of a floating solar system
- Tengeh Reservoir: PUB will deploy a 50MWp floating solar panel system by 2021



# STRATEGIC ACTION PLAN

## ENHANCE MARKET SHARE

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

## OPTIMISE COST EFFICIENCY

- Cost savings through centralized operations at Changi HQ
  - Shared support functions
  - Reduced expenses for rental, utilities and vehicle upkeep
- Streamline business units
- Raise productivity through job redesign and training

## 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

**THANK YOU  
Q&A SESSION**

