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## ISOTeAM ends challenging FY2018 with robust order book

- Looks forward to greater efficiencies and cost savings with move to new Corporate HQ in August 2018 as operations and subsidiaries come under one roof.
- Strong order book of S\$126.3 million as at 10 August 2018 will be progressively delivered over the next two years.

### Financial Highlights for the 12 Months Ended 30 June

S\$'m	FY2018	FY2017	Chg (%)
Revenue	83.8	82.9	1.1
Gross profit	14.9	21.6	(31.2)
Profit before tax	0.3	7.0	(96.3)
Net profit for the period	0.8	6.7	(88.4)
Profit attributable to equity holders	1.9	6.4	(71.0)
Earnings per share* (Singapore cents)	0.66	2.27	(70.9)

\*Based on the weighted average number of ordinary shares in issue of 284,508,757 and 284,205,736 in FY2018 and FY2017 respectively.

**SINGAPORE, 27 August 2018 – ISOTeAM Ltd.** (“ISOTeAM” or together with its subsidiaries, the “Group”), an established eco-conscious Repairs and Redecoration (“R&R”), Addition and Alteration (“A&A”) and complementary niche services specialist in Singapore, today reported net attributable profit of S\$1.9 million on higher revenue of \$83.8 million for the full year ended 30 June 2018 (“FY2018”), compared to S\$6.4 million and S\$83.0 million respectively for the full year ended 30 June 2017 (“FY2017”).

The Group’s performance in FY2018 was affected by a reduction in the number of projects available in the R&R and Coatings and Painting (“C&P”) segments, but this was partially offset by higher contributions from the A&A and Others (“Others”) segments.

In addition, the Group’s bottom-line was impacted by lower margin contributed by projects and lower other income that was mainly due to a reduction in suppliers’ rebate and a smaller gain on disposal of property, plant and equipment due to lesser disposal transaction, as well as the absence

of one-off negative goodwill arising from the acquisition of a subsidiary. The Group also incurred higher marketing and distribution expenses amounting to \$1.8 million due to the continued expansion of the Group's business. However, this was partially mitigated by lower general and administrative expenses that were mainly attributable to the absence of one-time costs incurred in FY2017 in relation to an allowance for doubtful receivables.

### Revenue by Segments

	FY2018		FY2017		Chg (%)
	S\$'m	%	S\$'m	%	
R&R	19.8	23.6	20.9	25.2	(5.4)
A&A	36.2	43.2	32.4	39.0	11.9
C&P	9.9	11.8	14.3	17.3	(30.9)
Others <sup>+</sup>	17.9	21.4	15.3	18.5	16.9
<b>Total</b>	<b>83.8</b>	<b>100.0</b>	<b>82.9</b>	<b>100.0</b>	<b>1.1</b>

<sup>+</sup>Others includes revenue from commercial interior designs ("ID"), home retrofitting business, landscaping works, leasing services, waterproofing, green solutions business, mechanical and electrical ("M&E") engineering works and handyman services.

Revenue from the Group's Others segments posted the strongest growth during the year, rising 16.9% yoy to \$17.9 million from a year ago. The A&A segment remains the largest revenue contributor to the Group with \$36.2 million in FY2018, representing a yoy growth of 11.9% or 43.2% of the Group's total revenue during the financial year. In contrast, revenue contribution from the C&P segment declined 30.9% yoy to S\$9.9 million in FY2018 while the R&R segment also saw a drop in revenue to \$19.8 million, down 5.4% a year ago.

Commenting on the Group's full-year performance, **Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发)**, said: *"The Group's financial performance in FY2018 was impacted by continued headwinds in business segments but we are pleased to report strong growth in both the A&A and Others segments, which enabled us to achieve a slight increase in revenue. In keeping with our vision to be **"The Best and Preferred Partner for Complete Solution in Build Environment"**, the Group continued to deepen and widen its capabilities through strategic investments and collaborations during the year. We believe that the broad spectrum of services we offer gives us an edge and this is key for our future expansion and growth. We plan to continue our pursuit of suitable opportunities to unlock greater value for our shareholders."*



As at 30 June 2018 and based on the weighted average number of 284,508,757 ordinary shares in issue, Earnings Per Share (“EPS”) was 0.66 Singapore cents. Net Asset Value (“NAV”) per share was 20.76 Singapore cents based on 285,130,562 ordinary shares in issue. This compares to an EPS of 2.27 Singapore cents as at 30 June 2017, which was based on the weighted average number of 284,205,736 ordinary shares in issue, and a NAV per share of 20.31 Singapore cents as at 30 June 2017, which was based on 284,387,041 ordinary shares in issue.

The Group has proposed a final dividend of 0.18 cents for FY2018, presenting a dividend payout of approximately 27.3% and subject to shareholders’ approval at its upcoming Annual General Meeting.

### **Outlook**

ISOTeam's order book as at 10 August 2018 stood at S\$126.3 million, which will be progressively delivered over the next two years. Moving forward, the Group believes its multi-disciplinary capabilities and proven track record, both in the private and public sectors, positions it favourably to tap into opportunities in diverse segments locally as well as regionally.

With the process of undergoing Home Improvement Programme (“HIP”) works and more than 500,000 flats are expected to benefit from the HIP programme, the Group will continue to tender for such projects and believes its track record will give advantage to the Group given BCA's implemented Price Quality Method that increases the weightage for the quality component.

Following the Research & Development performed on the floating wetland systems at lakes and quarry parks throughout Singapore, one of its subsidiaries, ISO-Landscape Pte Ltd has recently entered into a collaboration agreement with Housing Development Board to implement the solar installation on the floating wetlands and it is expected to unlock opportunities in securing more projects of a similar nature in the future.

**Mr Koh** said: *“We remain confident that the fundamentals of our business remain strong, given the strategic investments we have made, our strong desire to continually grow our capabilities, as well as*



ISOTeam Ltd.  
(Company Registration No.: 201230294M)  
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8 Changi North Street 1  
ISOTeam Building  
Singapore 498829  
<http://isoteam.com.sg/>

*our robust track record in the industry. We also expect to enjoy greater operational and cost efficiencies following our recent move into our new corporate headquarters in Changi, which has brought together all our business units under one roof and enabled us to consolidate and centralise our operations and administrative functions.”*

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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 over 18 years of Repairs & Redecoration (R&R) and Addition & Alteration (A&A) experience. We have successfully undertaken more than 300 public and private sector R&R and A&A projects for more than 3,000 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, landscaping, access leasing, green solutions, mechanical & electrical engineering works and handyman service subsidiaries. An eco-conscious company, we integrate green methodologies in our R&R, A&A and Others 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).*

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

#### **August Consulting**

Tel: 65 6733 8873

Silvia Heng, [silviaheng@august.com.sg](mailto:silviaheng@august.com.sg)

Wrisney Tan, [wrisneytan@august.com.sg](mailto:wrisneytan@august.com.sg)

Zavier Ong, [zavierong@august.com.sg](mailto:zavierong@august.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 for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this press release. 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. 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.*