



FY2022 RESULTS BRIEFING

30 AUGUST 2022





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01 BUSINESS OVERVIEW



ABOUT ISOTEAM

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

Providing sustainable solutions for a better built environment

Life Cycle Maintenance Solutions
R&R

Value Engineering
Project management and buildability advice

Energy Management Solutions
M&E works

Design & Build Solutions
Architectural, Interior Design, Fit-out, Engineering

Green Mobility Products
Bike sharing

Property/Estate Enhancement Solutions
A&A and C&P

Integrated Facilities Maintenance Solutions
Landscaping, Handyman and Vector Control

Electrical & Mechanical Engineering Solutions
M&E works

Environmental Sustainability Solutions
CnO and eco-friendly products

Renewable Energy Installation
Rooftop and floating solar systems





CORPORATE STRUCTURE

As of 30 June 2022

Raymond Construction Pte. Ltd. ► A&A	100%	Subsidiaries at the time of listing in 2013 involved mainly in R&R- and A&A- related works
ISO-Team Corporation Pte. Ltd. ► A&A; R&R	100%	
TMS Alliances Pte. Ltd. ► R&R	100%	
ISOteam Green Solutions Pte. Ltd. ► Eco-friendly solutions & products	100%	
ISO-Landscape Pte. Ltd. ► Niche landscaping & horticulture services	100%	Growth and expansion through the years
ISO Integrated M&E Pte. Ltd. ► M&E services ► Air conditioning ► Plumbing works	100%	
ISOteam Homecare Pte. Ltd. ► Handyman services	100%	
ISOteam Access Pte. Ltd. ► Access equipment services	100%	
ISOteam C&P Pte. Ltd. ► Specialist coating & painting	100%	
Green-Pest Management Pte. Ltd. ► Pest control services	100%	
ISOteam Renewable Solutions Pte. Ltd. ► Installation of solar panel and mixed construction activities	100%	
Zara @ ISOteam Pte. Ltd. ► Interior decoration & retrofitting works	51%	
SG Bike Pte. Ltd. ► Bike sharing services	48%	



02 BUSINESS HIGHLIGHTS



FY2022 HIGHLIGHTS



Oct 2021

Divested Pure Group entities

Oct 2021

Wins S\$22.3 million in new projects

Nov 2021

Divests Sunseap stake for \$12.2 million

Mar 2022

Wins S\$31.9 million in new projects

August 2021

Acquired pest control company

Oct 2021

Partnership with H3 Dynamics: AI and drone technology for building façade inspections

Nov 2021

CnO approved for commercial use and sale by NEA

Nov 2021

MOU with Nippon Paint Singapore and Acclivis: To develop autonomous painting drones for building façades

Aug 2022

Wins S\$49.8 million in new projects

SHOWCASE: KEY COMPLETED PROJECTS



15 blks - Choa Chu Kang Ave 5



Sims Place Market & Food Ctr.



28 blks - Pasir Ris Dr 10 / Street 72



13 blks - Tampines Central 1/8/Ave 2/St 21



Yuhua Market & Food Ctr.

R&R



14 blks - Yishun St 22 /Ave 6



7 blks - Circuit Rd & Pipit Rd



9 blks - Bukit Merah View



8 blks - Yishun Ave (NRP/R&R)



28 blks - Woodlands St 41

A&A
(NRP)



Punggol Town Hub



Havelock MRT station



Singapore Expo



Wilmar HQ

C&P



Drop-off area - Bishan Street 22 (NRP)



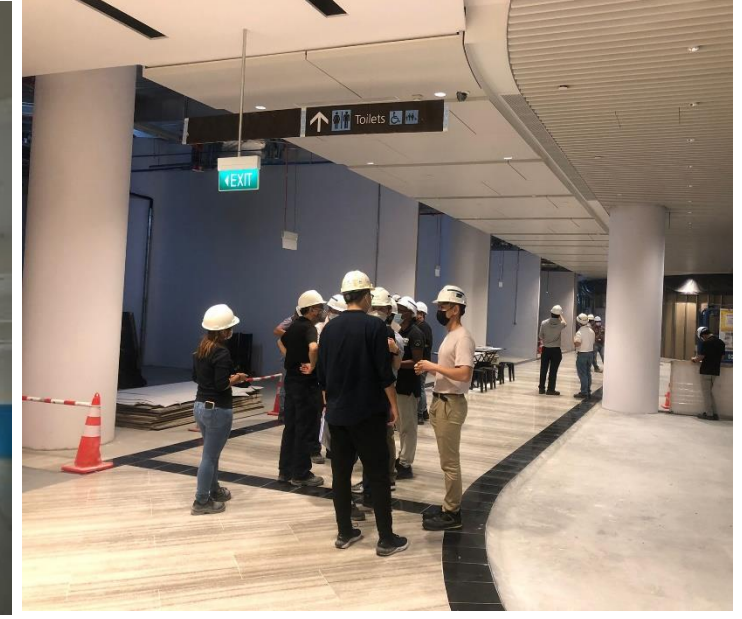
Meter boards - Jalan Besar TC



Rochester Park Hotel



Serangoon North ELU



Jewel Changi Airport

M&E

SHOWCASE: KEY COMPLETED PROJECTS

SHOWCASE: KEY COMPLETED PROJECTS



Temple St



Jalan Girang



Marine Online, Kallang 164



Yishun St 51

ID



Clemenceau Ave



Bedok estate



Bedok Reservoir



Chatalet Condos

LS



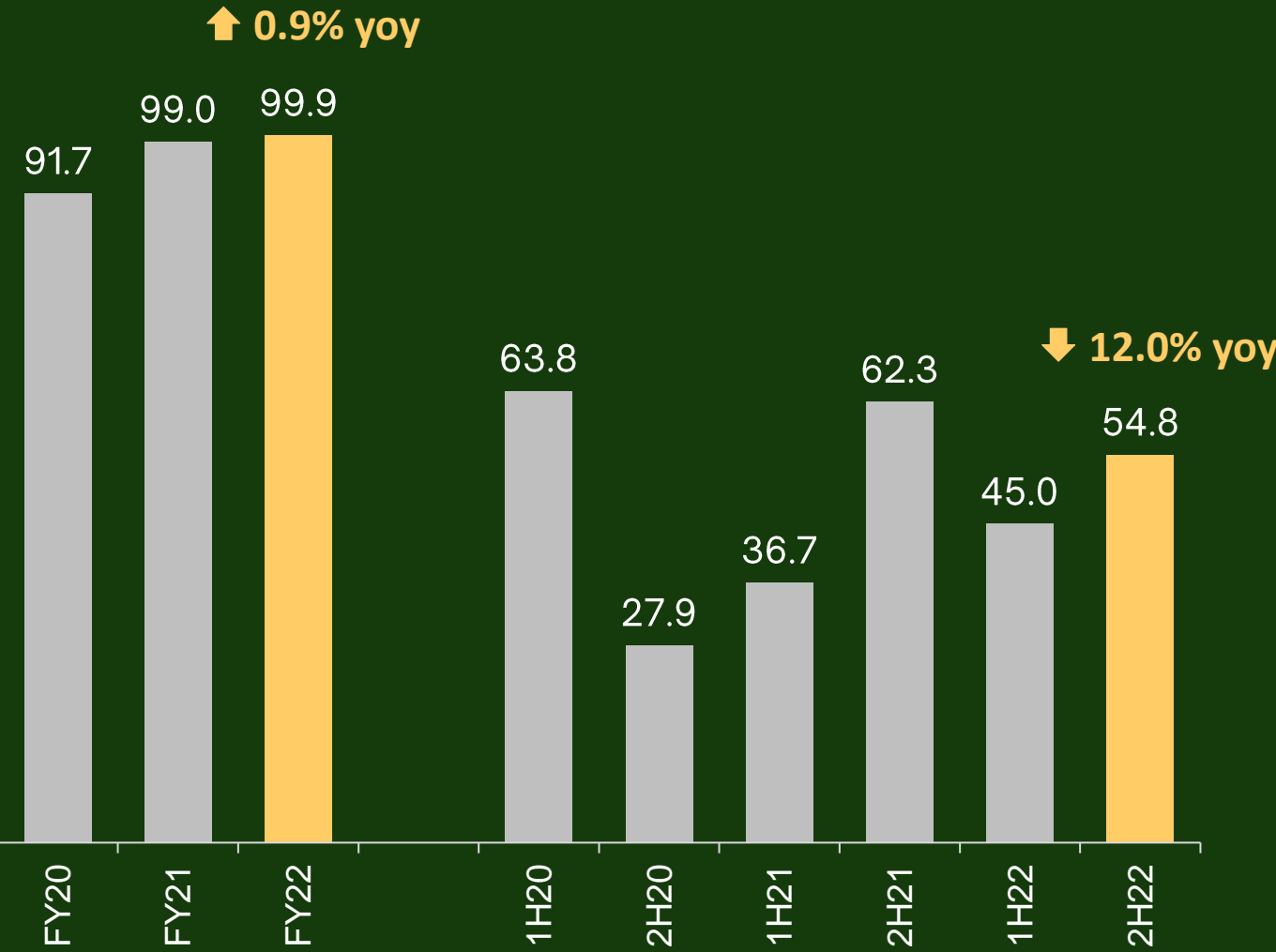
03 FINANCIAL HIGHLIGHTS

12 MONTHS ENDED 30 JUNE



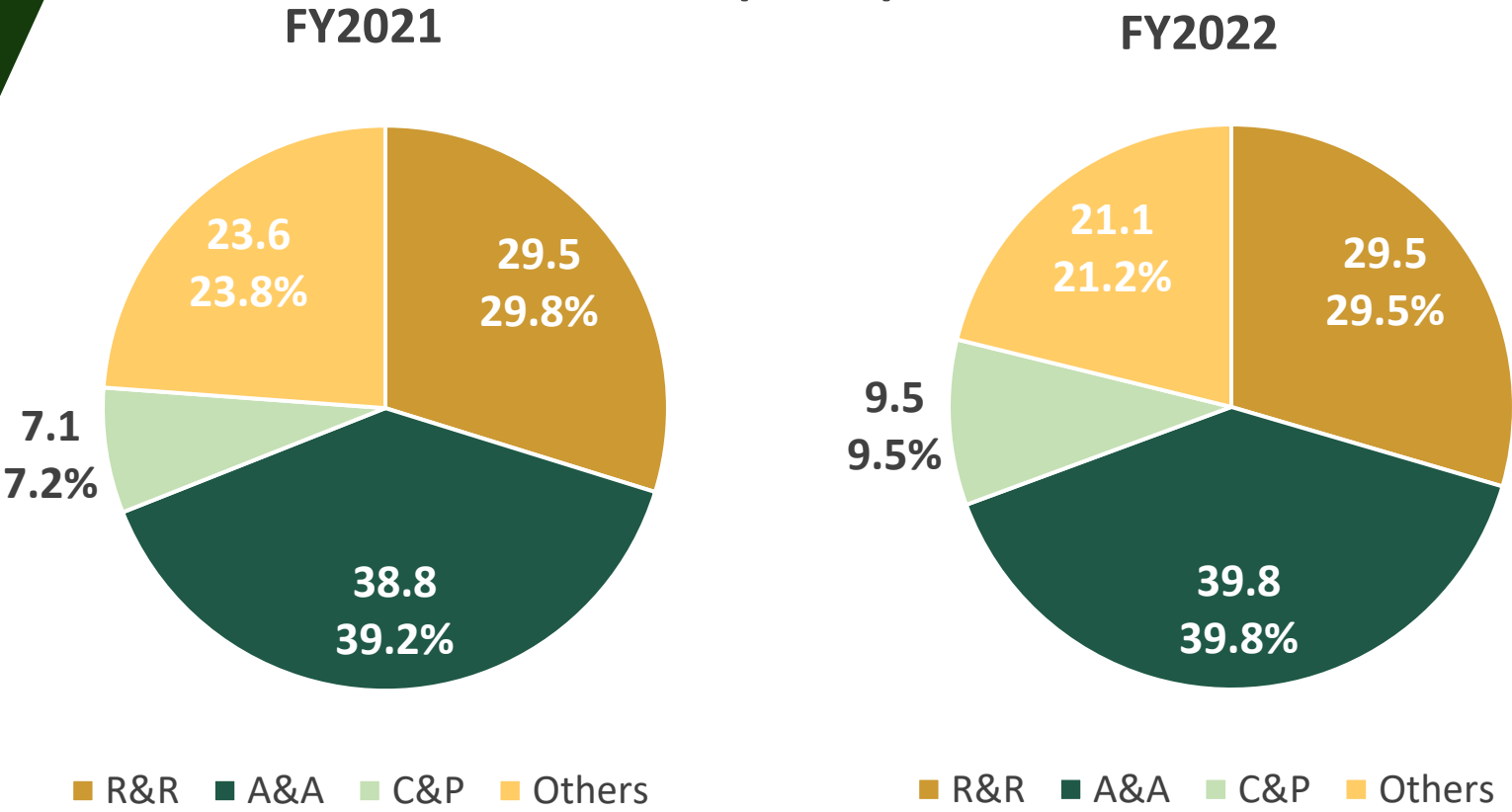
REVENUE

(S\$' million)



• FY2020 figures are restated

By Business Segments (S\$'m)

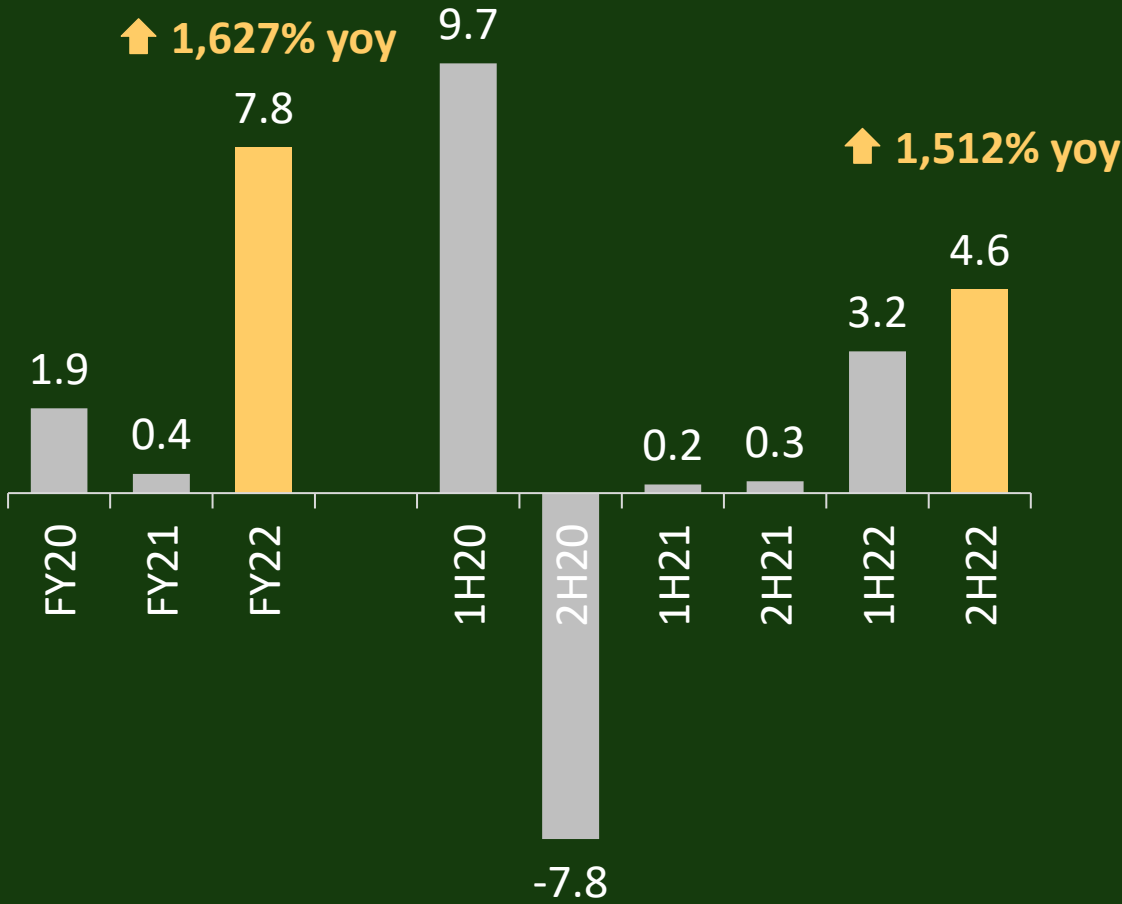


Segment	YoY
R&R	↑ 0.1%
A&A	↑ 2.6%
C&P	↑ 32.3%
Others	↓ 10.4%

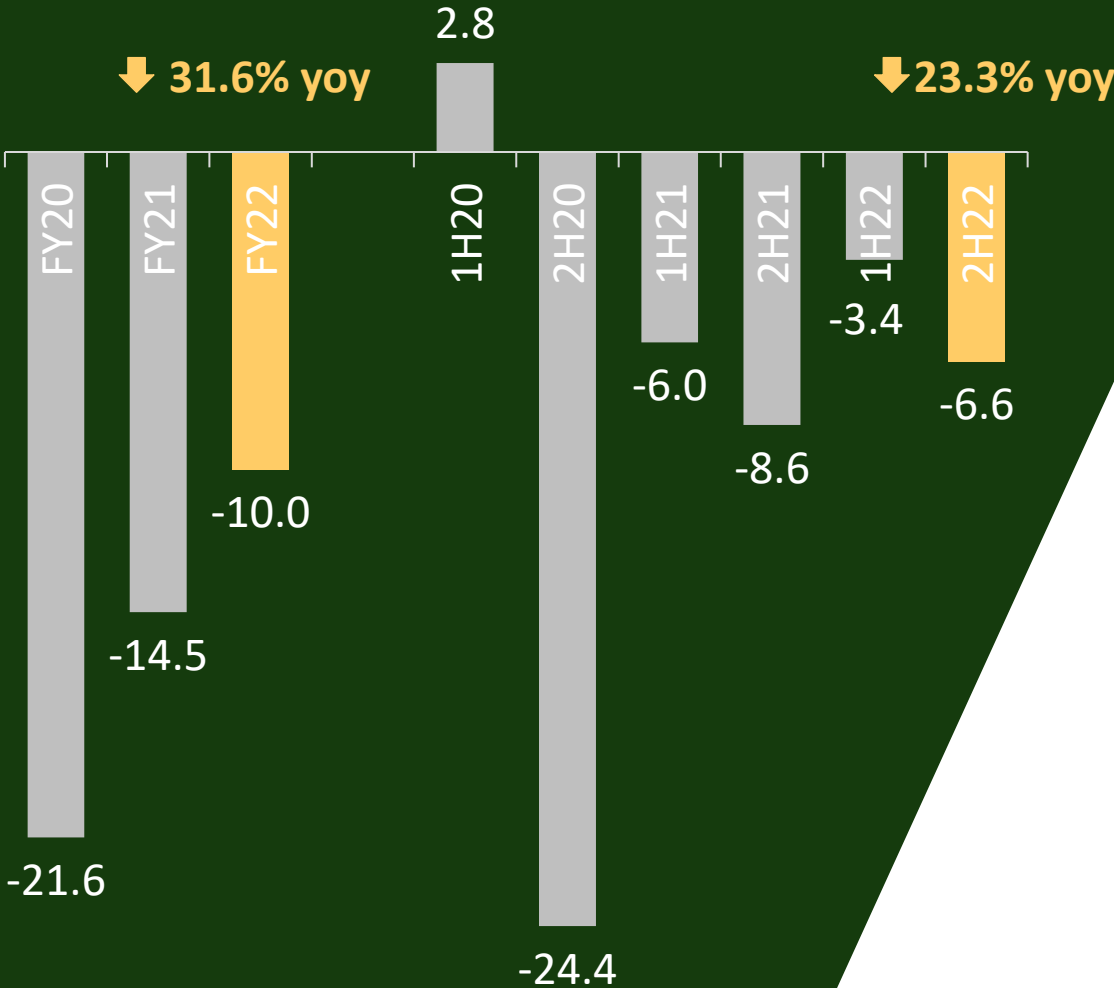
PROFIT

(S\$' million)

Gross Profit



Net Attributable Profit/Loss



%	Gross Profit Margin	Net Attributable Profit Margin
FY20 (restated)	2.1	NM
FY21	0.5	NM
FY22	7.8	NM

- FY2020 figures are restated
- NM: Not meaningful

INCOME STATEMENT: EXPENSES

KEY EXPENSES (S\$'M)	FY2022	FY2021	Chg (%)
Cost of sales	(92.1)	(98.5)	(6.6)
Marketing and distribution expenses	(1.0)	(0.8)	19.0
General and administrative expenses	(12.9)	(12.6)	2.3
Other operating expenses	(1.4)	(2.6)	(45.7)
Finance costs	(1.7)	(1.5)	14.6
Impairment loss on receivables and contract assets	(9.4)	(5.7)	63.8

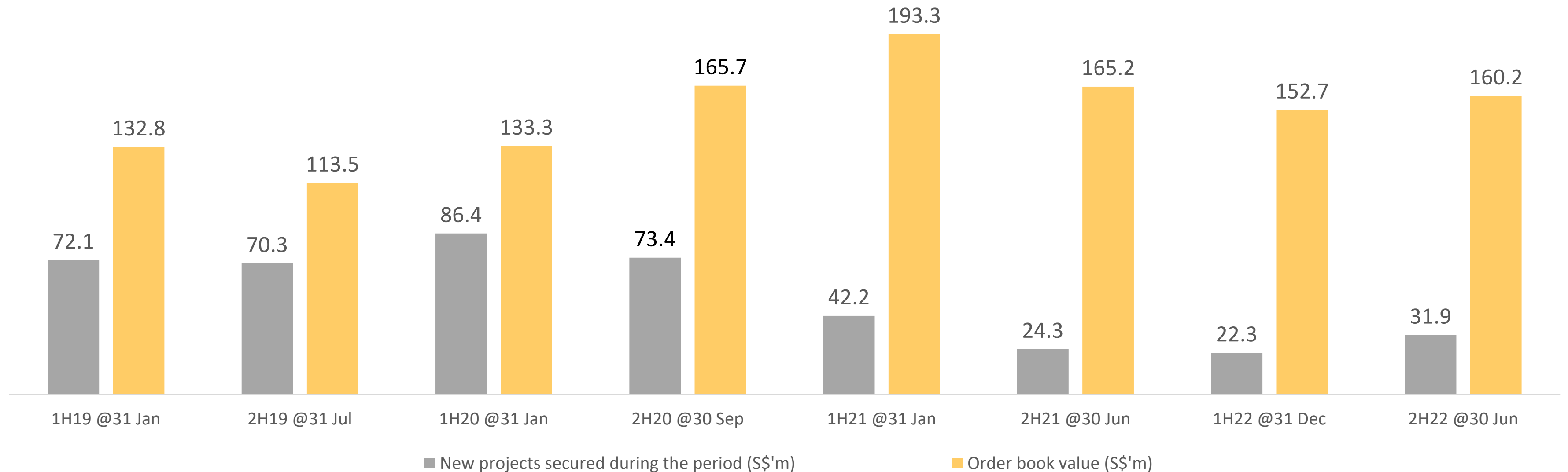
Any variances in percentage changes are due to rounding

- Other operating expenses: Mainly due to the one-off impairment of goodwill in FY2021
- Impairment loss: Mainly due to one-off impairment in a wholly owned subsidiary, TMG Projects Pte Ltd
- Other income: Due to one-off gain on disposal of subsidiaries, gain on derecognition of TMG Projects Pte Ltd, and gain on disposal of other investment

KEY FINANCIAL HIGHLIGHTS

KEY HIGHLIGHTS	FY2022	FY2021
<u>PROFITABILITY RATIOS</u>		
Earnings Per Share (cents)	(2.9)	(4.2)
Return On Assets (%)	(10.8)	(12.7)
Return On Equity (%)	(40.4)	(42.0)
<u>BALANCE SHEET</u>	S\$'m	S\$'m
Current assets	64.6	68.3
Cash and bank balances	18.6	15.5
Net current assets	15.4	8.4
Net assets	21.3	32.4
<u>CASH FLOWS</u>	S\$'m	S\$'m
Operating cash flows before working capital changes	0.4	(5.2)
Cash used in operations	(5.5)	(4.1)
Net cash used in operating activities	(5.4)	(3.0)
Net cash generated from investing activities	16.1	4.5
Net cash (used in) / generated from financing activities	(12.8)	3.5

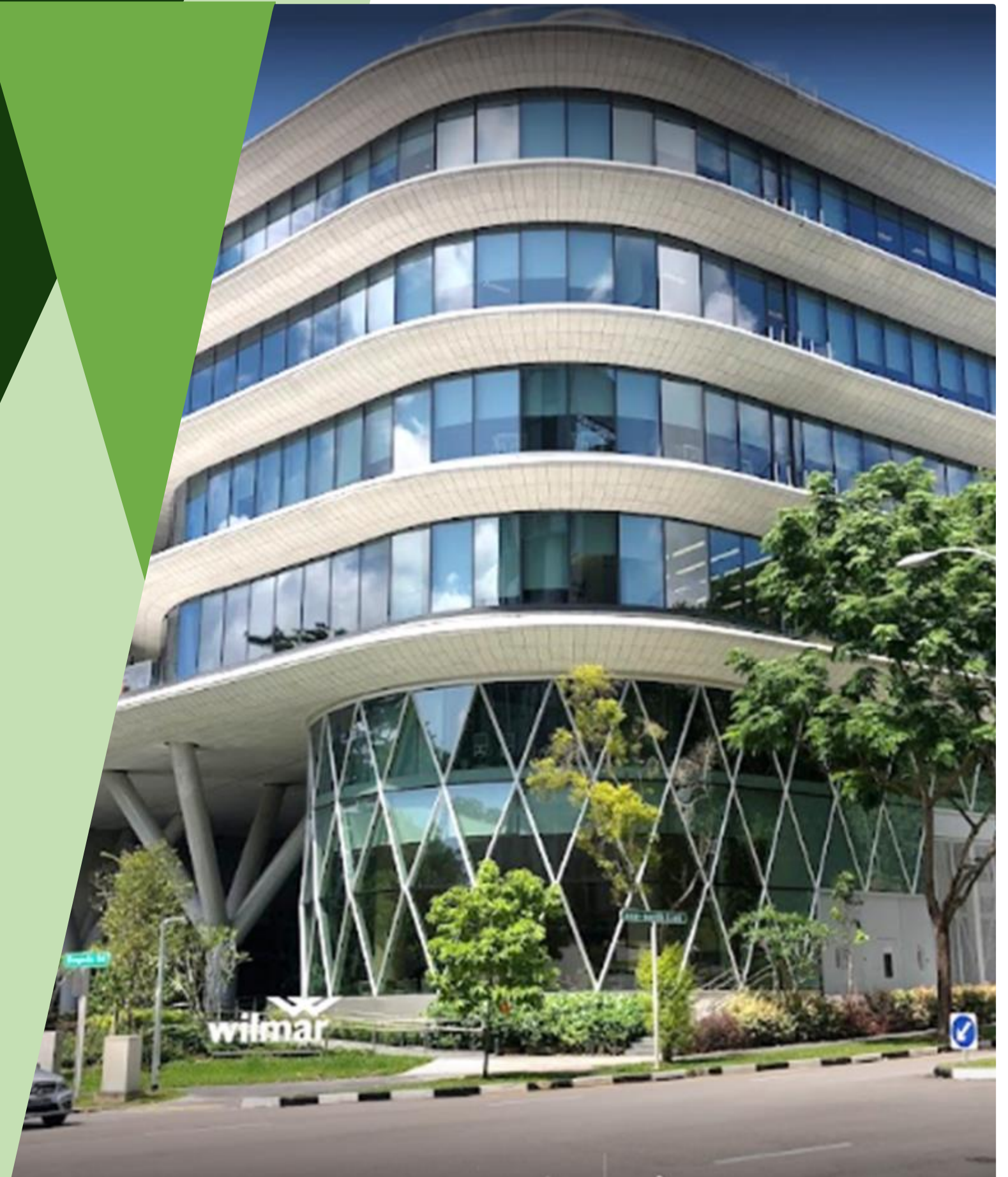
ORDER BOOK TREND



- Order book @ 30 June 2022: **S\$160.2 million**
- New projects secured @ 22 August 2022: **S\$49.8 million**
 - Orders to be progressively delivered by FY2024



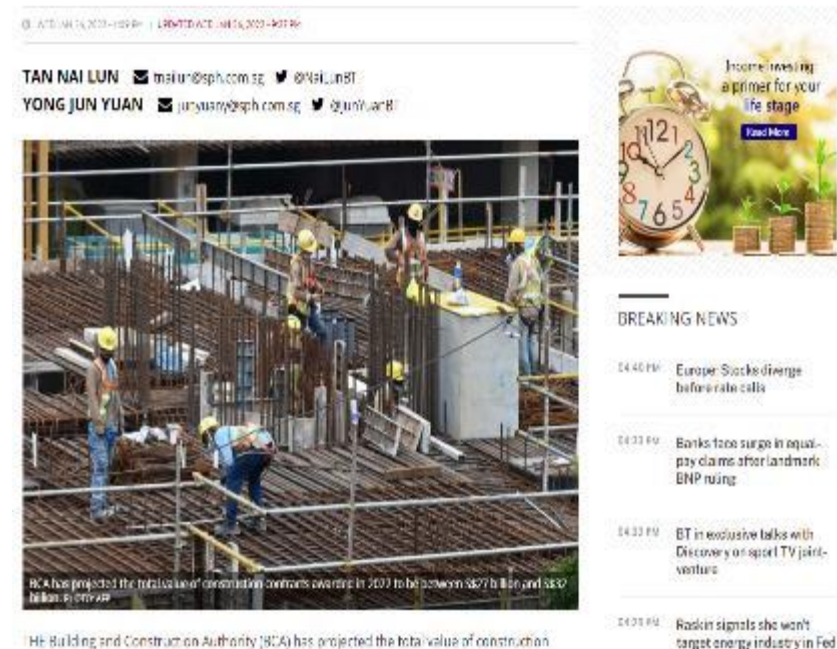
04 OUTLOOK & PLANS



Construction Demand (Value of contracts awarded) (BCA, 26 Jan 2022)			
Year (S\$'b)	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

26 Jan 2022, The Business Times

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



4 Aug 2022, EdgeProp

Construction commodity volatility in Singapore shows signs of easing in 2H2022: Linesight

[edgeprop.sg/property-news/construction-commodity-volatility-singapore-shows-signs-easing-2h2022-linesight](https://www.edgeprop.sg/property-news/construction-commodity-volatility-singapore-shows-signs-easing-2h2022-linesight)

Linesight

- The construction industry could see a 5.7% growth in real terms in 2022; underpinned by investments in transport, residential, renewables, and manufacturing projects.
- Anticipate that a levelling of supply costs, combined with increased interest in alternative construction methodologies, is likely to contribute to a very active construction industry for 2H2022 and into 2023

5 Aug 2022, EdgeProp

Construction firms cautiously optimistic as demand picks up, but labour crunch and cost pressure persist

Turner & Townsend

- Construction projects that we delayed in 2020-2021 are now on track to be completed on schedule, constituting about 80% of the total number of ongoing construction projects in Singapore.
- In general, the cost of construction materials is expected to increase by 5%-8% this year, on top of a 15% increase in 2021

Singapore Gross Domestic Product (MTI, 11 Aug 2022)						
YoY Change (%)	2Q 21	3Q 21	4Q 21	2021	1Q 22	2Q 22
Overall GDP	15.8	7.5	6.1	7.6	3.8	4.4
Construction	118.9	69.9	2.9	20.1	2.4	3.3
QoQ Growth (%)	2Q 21	3Q 21	4Q 21	2021	1Q 22	2Q 22
Overall GDP	-0.8	1.5	2.3	7.6	0.8	-0.2
Construction	0.1	1.1	-2.1	20.1	3.5	0.9

11 Aug 2022, The Straits Times

Singapore cuts 2022 GDP growth forecast to 3-4% as global headwinds grow

S¹ [straitstimes.com/business/economy/singapore-cuts-economic-growth-forecast-range-to-3-4-for-2022-as-global-headwinds-grow](https://www.straitstimes.com/business/economy/singapore-cuts-economic-growth-forecast-range-to-3-4-for-2022-as-global-headwinds-grow)

Ovais Subhani

August 11, 2022



SINGAPORE - The Government has narrowed its economic growth forecast range for 2022 in tandem with a worsening outlook for the global economy and stubbornly high inflation.

- 2Q 2022: Singapore GDP grew 4.4% yoy;
construction grew 3.3% yoy
- Weakened external demand outlook vs 3 months ago while downside risks in the global economy remain significant
- 2022 GDP growth forecast narrowed to 3%-4% from 3%-5%

SINGAPORE'S CONSTRUCTION SECTOR TO RECOVER TO NEAR PRE-COVID LEVELS IN 2022

GOVERNMENT INITIATIVES FOR THE BUILT ENVIRONMENT

TOWN COUNCILS

01



Every 5 years: Repaint external walls with mandatory façade checks for all blocks (R&R project cycle)

HDB

02

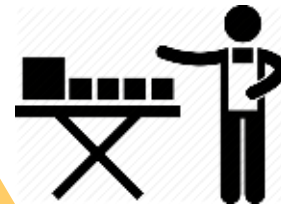


Every 12-15 years: Neighbourhood Renewal Programme

Expanded HIP Scheme and HIP II

NEA

03



Hawker Centre Upgrading Programme

NPARKS & BCA

04



Development, maintenance & upgrading of parks

Every 7 years: Facade checks for structures that are over 13m in height and over 20 years old

THE STRAITS TIMES

Upgrading works slated for 56,000 HDB flats



Expanded HIP (230,000 flats) starts

Straits Times, 20 Feb 2022

Four Ang Mo Kio HDB blocks identified for Sers

© PH, APR 08, 2022 - 5:00 AM | UPDATED PH, APR 08, 2022 - 5:00 AM

JANICE LIM ✉ janice@msph.com.sg 🐦 @JaniceLimBT



Business Times, 8 Apr 2022

SUSTAINABLE
DEMAND
FUNDAMENTALS

SG GREEN PLAN 2030

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



CITY IN NATURE

- By 2026: Develop >130ha of new parks and enhance ~170ha of existing parks with more lush vegetation and natural landscapes
- By 2030: Additional 200ha of new nature parks; and 200ha of skyrise greenery



SUSTAINABLE LIVING

Green Commutes (By 2030)

- Increase cycling paths to 1,300km



ENERGY RESET

Green Energy (By 2030)

- Increase solar energy deployment to at least 2 GWp to meet ~3% of 2030 projected electricity demand → 527 MWp of installed PV capacity @2Q21
- Deploy at least 200 MW of energy storage systems beyond 2025 to power >16,000 households/day

Sustainable Towns & Districts (By 2030)

- Reduce energy consumption in HDB towns by 15%



RESILIENT FUTURE

Keeping Singapore Cool

- Achieve up to 2°C reduction in ambient temperature by 2030 → Cool coatings pilot in Tampines commenced in 2021; to complete in 2024

Source: www.NCCS.gov.sg (8 Mar 2022)

SUSTAINABLE DEMAND FUNDAMENTALS

OUTLOOK & STRATEGIC PLAN

Outlook

- Strong post-pandemic order book
- Improving GP margin
- Stabilising labour supply situation
- Spikes in material costs leveling off
- Strong construction demand ahead

Downside risks:

- Global inflation
- Supply chain instability
- Geopolitical tensions
- High financing costs
- Ability to transfer high cost to contract price

PRUDENCE

- Continue to build good order book
- Focus on deliverables, procurement strategies and cash flow management
- Ensure transferring of higher cost to tender price
- Continuous digitalisation effort to trim process and cost
- Continuous collaboration between business units to serve customers better

SUSTAINABILITY

- Consolidation of business units - focus on growing core business and trim non-performing business
- Ride on SG Green Plan 2030
- Robotisation and AI drives - drone application
- Opportunity in build tech - IOT application

INVESTMENT MERITS

TRACK RECORD

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

NETWORK

- Established stakeholder relationships (TOC and Nippon Paint Singapore)
- Exclusive applicator for Nippon Paint Singapore and SKK (S) Pte Ltd

CAPABILITIES

- Multi-disciplinary services
- A green solutions provider
- Turnkey capabilities

TEAM

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

FUTURE

- Construction sector recovery
- Strong order book
- Synergy across business units
- Minimum dividend payout of 20% of net profit
- SG Green Plan 2030
- Build capabilities in untapped markets (JTC, LTA, MOE etc)





THANK YOU

Q&As

