

## FY2021 Results Presentation

12 months ended 30 June

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27 August 2021



- 01 Business Overview
- 02 Business Highlights
- 03 Financial Highlights
- 04 Outlook & Plans
- Q & As

**Notice:**

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01

## Business Overview

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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



**>500**  
projects



**>5,000**  
buildings

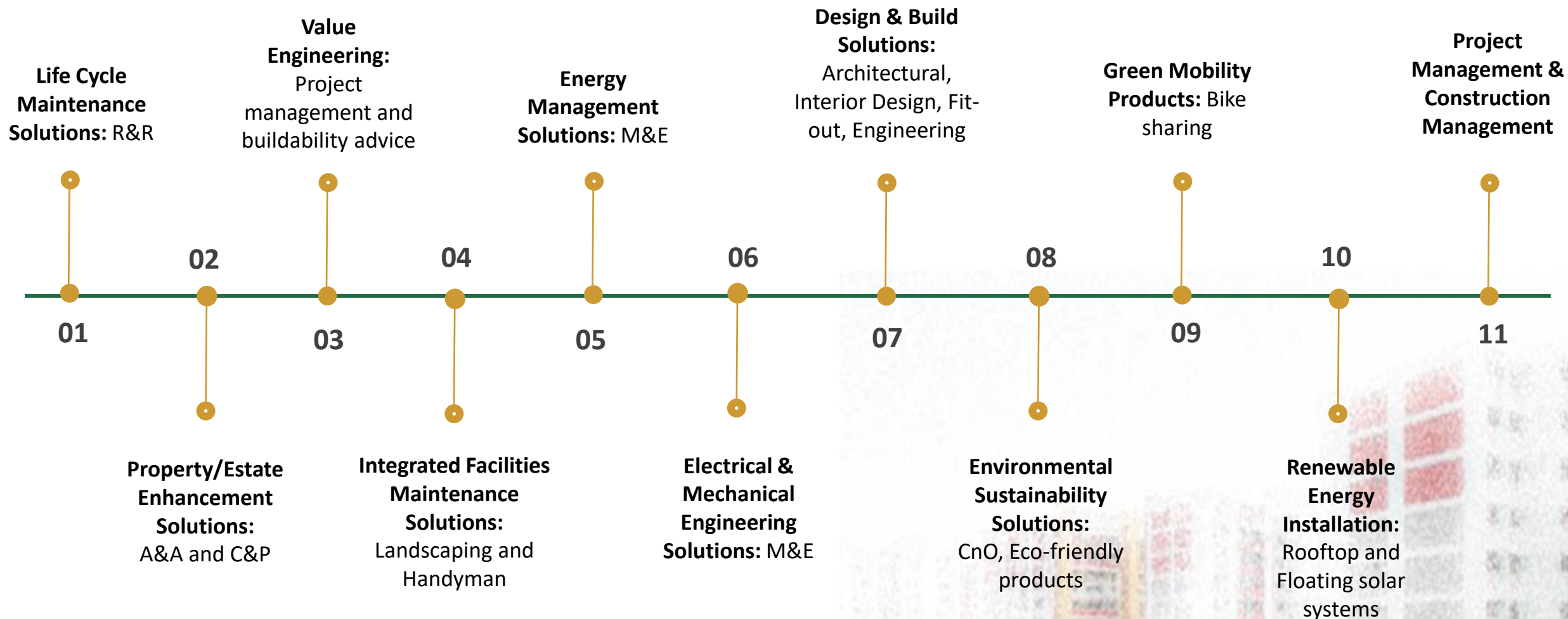


### Competitive Strengths

- 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 30 June 2021)

<b>Raymond Construction Pte Ltd</b> ► Addition & Alteration	100%	Subsidiaries at the time of listing in 2013 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>Zara @ ISOTeam Pte. Ltd.</b> ► Interior fitting-out works	51%	Growth and expansion through the years
<b>ISOTeam Access Pte. Ltd.</b> ► Rental/ sale of height access equipment	100%	
<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>ISOTeam Projects Pte. Ltd.</b> ► Specialist addition & alteration; architectural and commercial interior design	100%	
<b>ISO Integrated M&amp;E Pte. Ltd.</b> ► Electrical works; Renewables installation and energy management contracts	100%	
<b>ISOTeam Homecare Pte. Ltd.</b> ► Provision of handyman services	100%	
<b>ISOTeam (TMS) Myanmar Limited*</b> (A subsidiary of TMS Alliances Pte. Ltd.) ► Repairs & Redecoration in Myanmar	90%	
<b>SG Bike Pte. Ltd.</b> ► Singapore's first locally established bike sharing company	51% <sup>1</sup>	
<b>Pure Group (6 companies)<sup>2</sup></b> ► Project and construction management in the region	100%	

1. The Group's interest decreased from 51% to 48.11% following issuance and allotment of 60,000 new shares of S\$1 each to a new shareholder on 7 August 2021

2. Pure Group (Singapore) Pte. Ltd. in Singapore (100%-owned), Pure Projects (Philippines) Inc in the Philippines (99.9%-owned), Pure Projects Construction Advisory Shanghai Co Ltd in China (100%-owned), Pure Projects Management Sdn. Bhd. in Malaysia (100%-owned), Pure Projects SEA Pte. Ltd. (100%-owned), and Pure Projects SEA Ltd in Thailand (49%-owned).



02

## Business Highlights

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## A Recap of FY2021

- Prolonged ongoing effects of the pandemic
- Cost hikes as a result of the challenging labour environment and material costs

### 1H2021 (July to December 2020)










- Disposal of 57 Kaki Bukit Place for \$4.5M
- Strengthened balance sheet with asset disposal and fund raising
- Ongoing efforts and strategic measures to enhance competitiveness and performance, which had been adversely impacted by COVID-19
- New contracts: \$42.3M

### 2H2021 (January to June 2021)









- New contracts: \$45.2M
- Appoints new Chief Operating Officer
- Appoints new Independent Director



## Showcase: Completed Projects











R&R	Golden Mile Food Centre	34 blks at Pasir Ris St. 71	28 blks at Woodlands St. 41	29 blks at Rivervale Cres./Dr.	26 blks at Holland Avenue and Commonwealth Cres.
					
A&A	Neighbourhood Renewal Programme to 17 blks at Bishan St. 22	Resorts World Singapore	Lentor MRT Station Thomson - East Coast Line		
			 		

## Showcase: Completed Projects

C&P	Kandis Residence	Rio Gardens	Serangoon Secondary School	Trinity Christ Church
				
	Bedok Market	Fernvale Childcare Centre	Offshore Grid-Tied Solar Photovoltaic System	Golden Mile Food Centre
				



## 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
					
	Floating Wetland at Pulau Ubin	Town Council Maintenance Project	Bedok BTO Project: Roof Top Garden		Condo Maintenance
	 <small>Jul 21, 2021 16:02:40 Jalan Jelutong</small>				



## Summary: Ongoing Projects

	FY2020		FY2021	
	Number	Value (S\$'m)	Number	Value (S\$'m)
R&R	30	71.5	33	69.4
A&A	26	150.1	24	162.4
C&P	113	33.6	67	34.0
Others	38	56.4	35	53.5
Total <u>contract value</u> of ongoing projects	-	311.6	-	319.3

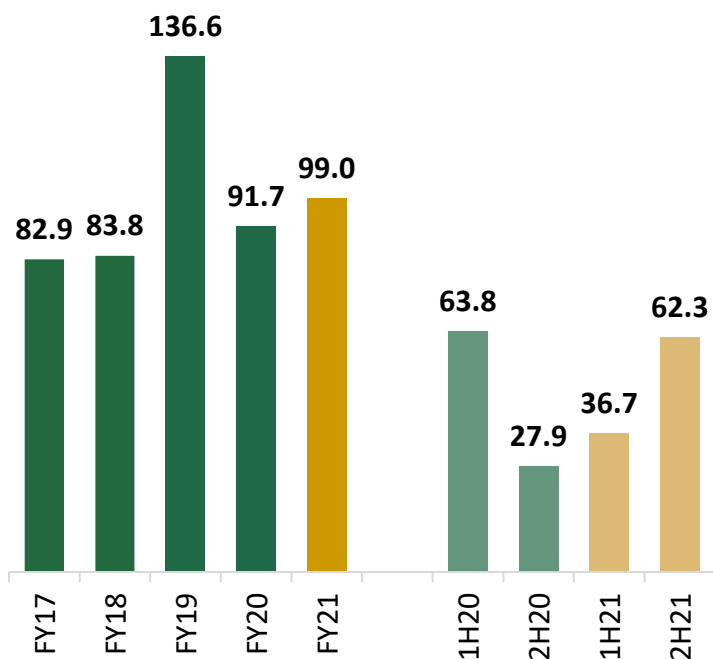
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## Financial Highlights

(Note: FY2020 figures have been restated)



## Revenue (S\$'m)

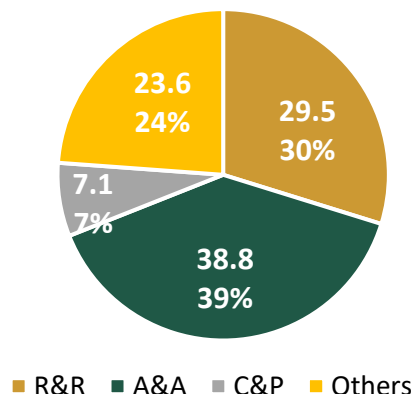


Segment	YoY (FY20 vs FY21)	HoH (1H21 vs 2H21)
Revenue	↑8.0%	↑69.8%

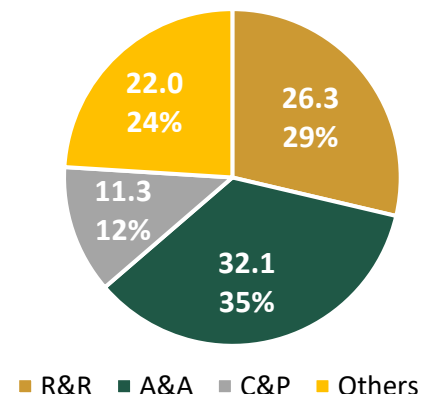
Note: FY2020 figures are restated

## By Business Segments (S\$'m)

FY2021 (S\$'m)

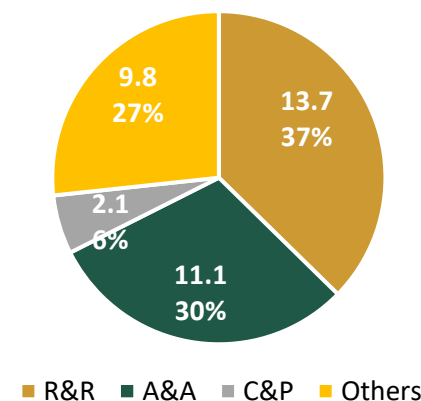


FY2020 (S\$'m)

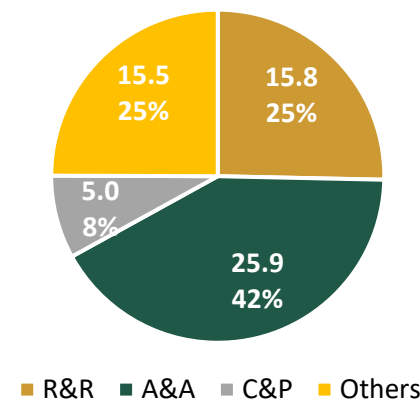


Segment	YoY
R&R	↑12.2%
A&A	↑20.9%
C&P	↓36.6%
Others	↑6.9%

1H2021 (S\$'m)



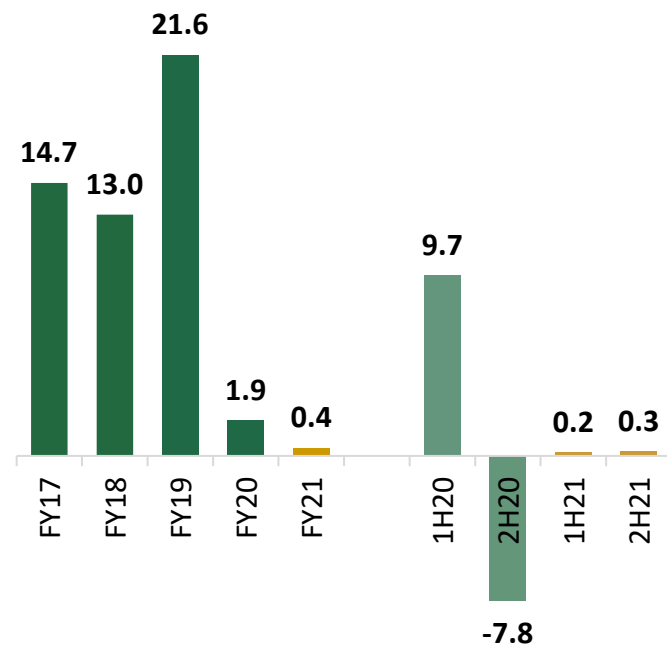
2H2021 (S\$'m)



Segment	HoH
R&R	↑15.3%
A&A	↑133.9%
C&P	↑136.6%
Others	↑58.3%

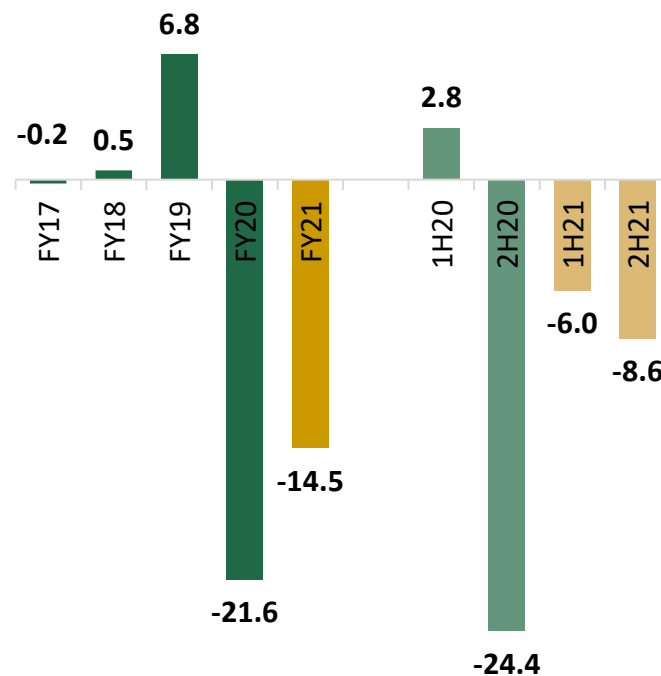


## Gross Profit (S\$m)



Segment	YoY (FY20 vs FY21)	HoH (1H21 vs 2H21)
Gross profit	↓76.5%	↑74.5%

## Net Attributable Profit/Loss (S\$m)



Segment	YoY (FY20 vs FY21)	HoH (1H21 vs 2H21)
Net attributable loss	↓32.5%	↑42.6%

(%)	Gross Profit Margin	Net Attributable Profit Margin
FY17	17.8	NM
FY18	15.5	0.6
FY19	15.8	5.0
FY20 (Restated)	1.9	NM
FY21	0.4	NM

Note: FY2020 figures are restated

## Income Statement: Expenses

KEY EXPENSES (\$\$'M)	FY2021	FY2020 (Restated)	Chg (%)
Cost of sales	(98.6)	(89.8)	9.8
Marketing and distribution expenses	(0.8)	(0.9)	(6.2)
General and administrative expenses	(12.6)	(16.3)	(22.9)
Other operating expenses	(5.7)	(6.9)	(16.9)
Finance costs	(1.5)	(1.8)	(18.5)
Impairment loss on receivables and contract assets	(2.7)	(1.9)	39.9

*Any variances in percentage changes are due to rounding*

- General and administrative expenses: Mainly due to the reduction in salaries, staff-related cost and the receipt of foreign worker levy rebates and waiver
- Operating expenses: Mainly due to impairment of goodwill

## Key Financial Highlights

KEY HIGHLIGHTS	FY2021	FY2020 (Restated)
<b>PROFITABILITY RATIOS</b>		
Earnings Per Share <sup>(1)</sup> (cents)	(4.00)	(7.11)
Return On Assets (%)	(20.1)	(12.8)
Return On Equity (%)	(43.6)	(48.3)
<b>BALANCE SHEET</b>	<b>S\$'m</b>	<b>S\$'m</b>
Current assets	77.9	70.8
Cash and bank balances	15.5	12.6
Net current assets	11.5	13.2
Net assets	32.4	(47.6)
<b>CASH FLOWS</b>	<b>S\$'m</b>	<b>S\$'m</b>
Operating cash flows before working capital changes	(5.2)	(7.5)
Cash generated from / (used in) operations	(1.0)	3.1
Net cash generated from / (used in) operating activities	(0.1)	2.7
Net cash (used in) /generated from investing activities	3.6	(12.0)
Net cash generated from / (used in) financing activities	2.1	12.3

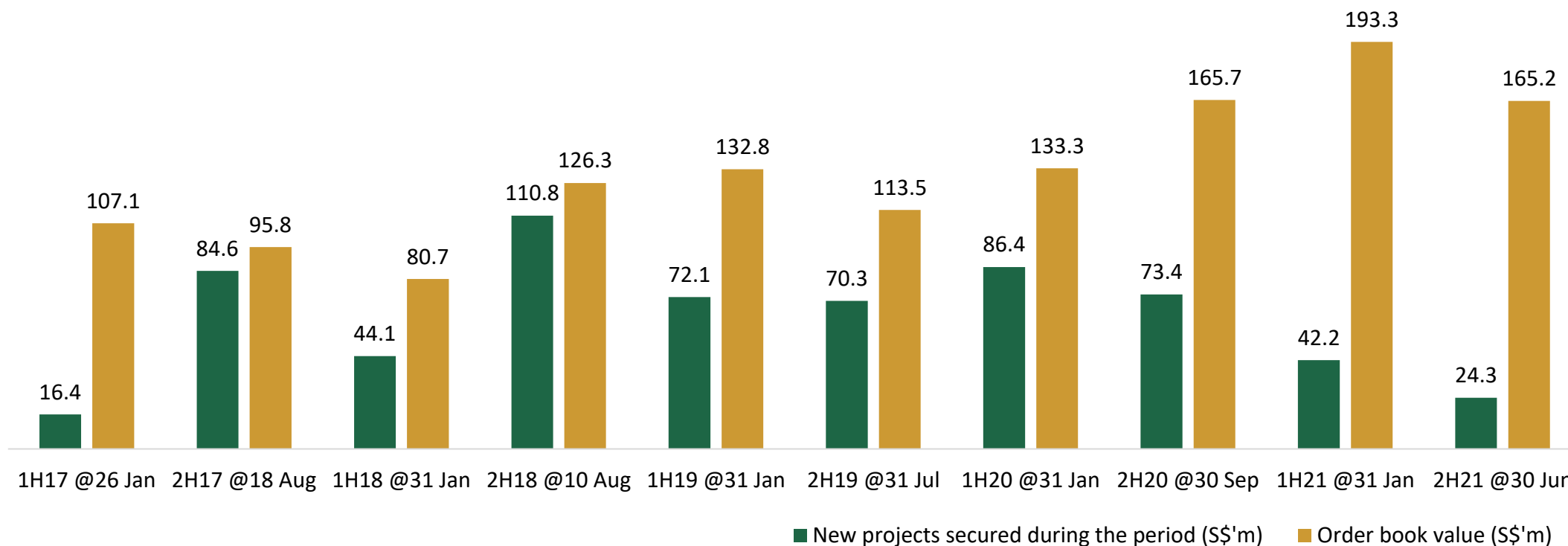
(1) Weighted average number of ordinary shares: FY2021 approx. 363.9 million shares



## Order Book Trend

**S\$165.2 million** book orders as at 30 June 2021 largely to be progressively delivered by FY2023

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







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



01

**TOWN COUNCILS**

Repaint external walls every 5 years (R&R project cycle)



02

**HDB**

Neighbourhood Renewal Programme every 12-15 years



03

**MND**

Expanded HIP Scheme and HIP II



04

**NEA & HDB**

Hawker Centre Upgrading Programme



05

**LTA**

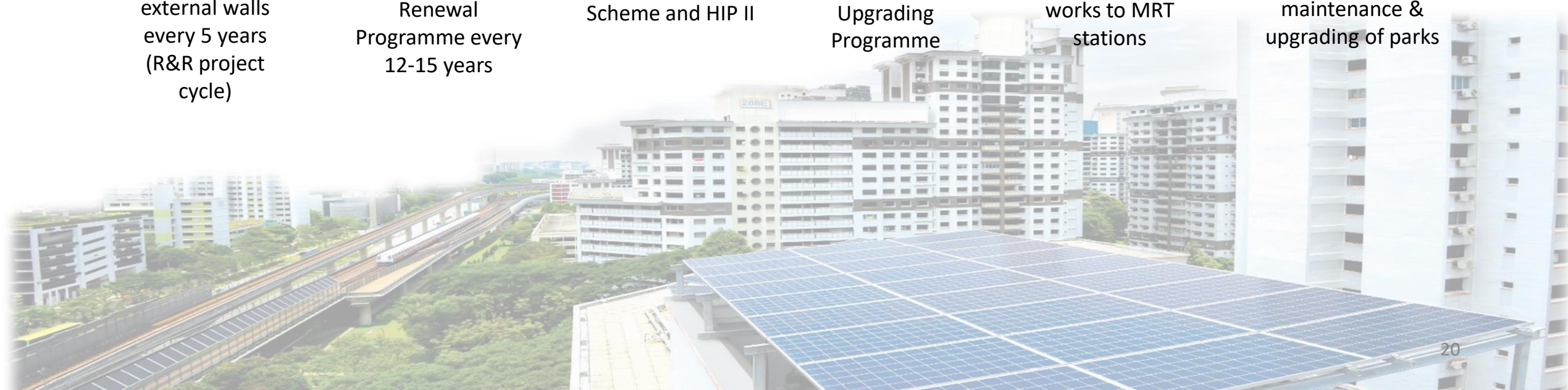
Upgrading / A&A works to MRT stations



06

**NPARKS & TOWN COUNCILS**

Development, maintenance & upgrading of parks





# Sustainable Demand Fundamentals Post COVID-19: Greening Trends

## SolarNova

- 2030 solar power targets raised in Oct 2019
- 540 MWp (HDB)
- 2 GWp (National)

## Offshore Floating Solar Farms

- Joint-effort with HDB and leverage on ESG

## Green Mark

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

## LUSH

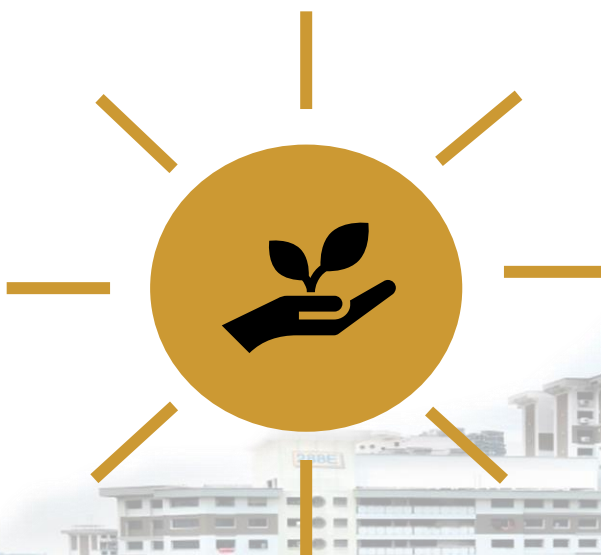
- City in the Garden identity
- Explore urban farming and rooftop garden in line with the Government's 30 by 30 initiative - a target for Singapore to produce 30 percent of its nutritional needs by 2030, as a buffer from supply disruptions
- 200 ha of high-rise greenery by 2030

## HDB Green Print

- Roadmap to Better Living in HDB Town using Green Building Technology like Cool Paint and Community Garden and Cycling Path Network for a Greener and Cooler Neighbourhood

## Bike Sharing

- Expanding SG Bike fleets
- URA to triple cycling paths and park connectors to 1,320km by 2030
- Catering to diverse local needs
- Focus on recreational and leisure business
- Supporting LTA's car-lite initiative



# Continued Commitment by the Government and Industry Towards Greening

The Business Times, 05 March 2021

## Push for greener buildings under refreshed masterplan

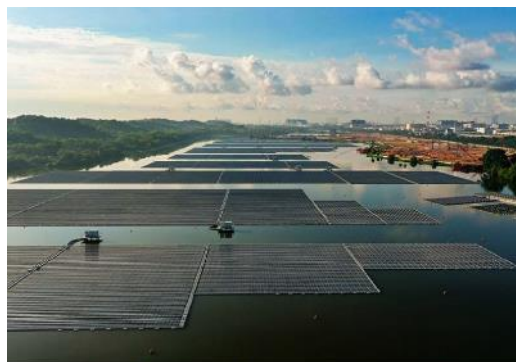


Singapore is targeting 80% of new buildings to be Super Low Energy buildings by 2030. PHOTO: ST FILE

- Singapore raises sustainability standards for green buildings under the refreshed Singapore Green Building Masterplan; targets 80% of new buildings to be Super Low Energy (SLE) buildings from 2030
- Three key targets: To green 80% of buildings; to have 80% of new developments be SLE buildings; and for best-in-class green buildings to see an 80% improvement in energy-efficiency levels.

The Straits Times, 14 July 2021

## Singapore's first large-scale solar floating farm opens at Tengeh Reservoir



Aerial footage of Sembcorp Tengeh Floating Solar Farm on June 20, 2021. ST PHOTO: LIM YACHUAN

- Singapore's first large-scale floating solar photovoltaic (PV) system at Tengeh Reservoir was officially opened on 14 July 2021
- This solar farm, which has a capacity of 60 megawatt-peak will contribute to the country's plan to install at least 2 gigawatt-peak of solar PV capacity by 2030.

The Straits Times, 7 August 2021

## 130 Tampines HDB blocks to be coated with heat-reflective paint in pilot for cooler environment



Tampines was selected for the pilot as it has a higher average land surface temperature compared with other towns. ST PHOTO: LIM YACHUAN

- A new type of heat-reflective paint will be used on some 130 Housing Board blocks in Tampines, under a pilot project that aims to reduce ambient temperatures by up to 2 deg C.
- The collected data will be analysed to determine if using cool paint on building facades and pavements could be rolled out across Singapore, said the Housing Board on Saturday (Aug 7).

The Straits Times, 16 August 2021

## PUB planning 2 more large-scale floating solar farms at reservoirs



Ng Keng Gene

PUBLISHED: AUG 16, 2021, 5:00 AM SGT



Land-scarce Singapore is looking to generate more value from its reservoirs by setting up two more large-scale floating solar farms.

A spokesman for national water agency PUB told The Straits Times last Tuesday that two sites have been identified - Lower Seletar Reservoir for a 100 megawatt-peak (MWp) system, and Pandan Reservoir for a 44MWp system.

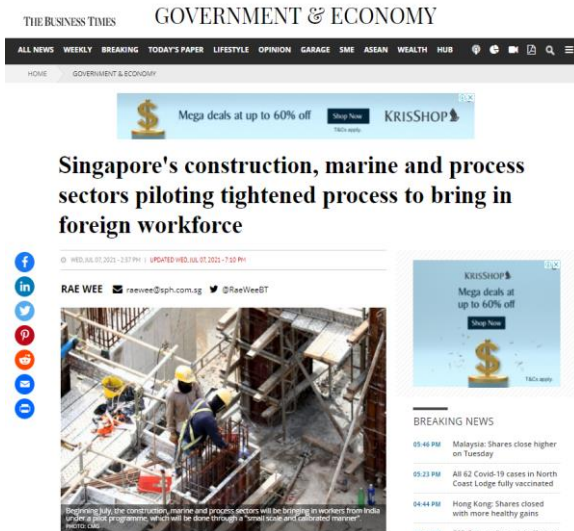
PUB said that the proposed initiatives will help it to advance its efforts in tapping green energy for its operations.

- Singapore is looking to generate more value from its reservoirs by setting up two more large-scale floating solar farms.
- Two sites have been identified - Lower Seletar Reservoir for a 100 megawatt-peak (MWp) system, and Pandan Reservoir for a 44MWp system.
- PUB said that the proposed initiatives will help it to advance its efforts in tapping green energy for its operations.



# Construction Industry Growth in 2021 Despite Challenges

02 July 2021, The Business Times



12 August 2021, The Business Times



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

Year	Public	Private	Total
2021 (F)	15 - 18	8 - 10	23 - 28
2022-2025 (F)	14 - 18 / yr	11 - 14 / yr	25 - 32 / yr

### 2021 construction demand to recover to between S\$23b -S\$28b

- Public sector to contribute 65% driven by **stronger demand for public housing and infrastructure projects**
- Private sector construction demand - en-bloc residential sites, major retrofitting of commercial developments as well as construction of high-specification industrial buildings to meet business needs

### Steady improvement in construction demand to S\$25b-S\$32b per year from 2022-2025

- Public sector to lead** - public residential developments and large infrastructure and institutional projects
- Private sector construction demand to improve steadily on a gradual recovery of the global economy, contingent on the successful deployment and effectiveness of COVID-19 treatment and vaccines and easing of lockdown restrictions

### Singapore's 2Q Economic Updates

- MTI upgraded GDP growth forecast for 2021 to "6.0 to 7.0%" from "4.0 to 6.0%" due to its better-than-expected performance in 1H2021 and the latest external and domestic economic developments,
- Construction sector grew by 106.2% YoY in 2Q21 as both public and private sector construction works expanded (compared to the low base last year due to the CB)
- Labour shortages from border restrictions to weigh on recovery of construction activities to pre-Covid levels.

Sources:

BCA, 18 January 2021; MTI, 11 August 2021



## Strategic Action Plan to Address Challenges

### CHALLENGES

- Labour shortage
- Cost inflation
- Raw material supply chain disruptions
- Work disruption from additional safety and compliance measures

### PRUDENCE

- Focus on delivery and cost management
- Manage liquidity
- Monitor and minimise risk exposure
- Protect health and safety of workforce

### SYNERGY

- Harness and pool resources through digitalization
- Cross sell multi-disciplinary capabilities and improve efficiency eg 3-in-1 or 4-in-1 packages to key customers

### SUSTAINABILITY

- Builder of sustainability sector in the field of renewable energy and environmental solutions
- Explore strategic partnerships in the longer term
- Create value-based and a performance led culture where workforce can grow and excel

# 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
- 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 (\$165.2M @ 30 June 2021)
- Synergy across business units
- Tapping into new sectors
- Lower default risk
- Minimum dividend payout of 20% of net profit
- Focus on delivery and cost management
- Focus on specialisation through spring off on FP business
- Explore Urban Farming in line with the Government's 30:30 initiative
- Expanding SG Bike fleets
- Continue to grow Core Competency in R&R and NRP





Thank You  
Q & As

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