



FOR IMMEDIATE RELEASE

ISOTeam tops off landmark year with 34.1% growth in attributable net profit in FY2015

- Posts healthy baseline growth despite incurring higher expenses largely relating to its active business acquisition and operations growth.
- Growth driven mainly by strong performance of R&R segment and nine-fold revenue increase achieved by the Group's newly expanded Others segment.
- Strong order book build-up in FY2015 with a project pipeline of S\$84.7 million as at 30 June 2015.
- Proposes final dividend of 1.15 Singapore cents per ordinary share for FY2015.

Financial Highlights for the year ended 30 June

S\$'m	FY2015	FY2014	Chg (%)
Revenue	81.7	69.9	16.9
Gross profit	20.2	13.5	49.3
Profit before tax	9.5	6.7	41.9
Profit attributable to equity holders	8.1	6.1	34.1
Earnings per share* (Singapore cents)	6.45	5.19	24.3

*Based on the weighted average number of 125,898,827 ordinary shares in issue in FY2015 and 116,669,721 ordinary shares in issue in FY2014.

SINGAPORE, 28 August 2015 – ISOTeam Ltd. (“ISOTeam” or together with its subsidiaries, the “Group”), an established eco-conscious Repairs and Redecoration (“R&R”) and Addition and Alteration (“A&A”) specialist in Singapore, has achieved yet another record performance for the year ended 30 June 2015 (“FY2015”) with attributable net profit rising 34.1% year-on-year (“y-o-y”) to S\$8.1 million on the back of a 16.9% spike in revenue to S\$81.7 million.

Notably, the Group achieved robust double-digit bottomline growth despite seeing higher expenses, arising largely from its active business acquisitions and operations expansion last year. This included S\$0.8 million in other operating expenses comprising amortisation of intangible assets and goodwill written off, which the Group did not incur in FY2014, and a 50.1% increase in general and administrative expenses to S\$9.5 million.



The Group's improved topline performance was driven by a robust R&R business segment and a newly expanded Others business segment, which achieved a nine-fold increase in revenue.

Gross profit rose 49.3% to S\$20.2 million in FY2015 compared to S\$13.5 million in the preceding year ended 30 June 2014 ("FY2014"), while overall gross profit margin saw a buoyant 5.4 percentage point uptick to 24.7% over the same period due to better profit margins from completed R&R projects.

Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发), said: "FY2015 was a remarkable year for ISOTeam. Despite the challenging economic conditions and substantially higher expenses arising from our strategic acquisitions, we were able to build our order book strongly and achieve a 34.1% baseline growth. Moreover, taking into account expenses associated with our M&A exercise, which are extraordinary in nature, the growth in our operating profit for FY2015 would be even higher than that."

"To share the fruits of a good year with our shareholders, the Board is pleased to propose a final dividend of 1.15 Singapore cents per ordinary share for FY2015, representing a dividend payout ratio of 20.3% of net attributable profit," he added.

Revenue by Segments

S\$'m	FY2015	FY2014	Chg (%)
R&R	54.5	48.3	12.7
A&A	17.4	20.4	(14.6)
Others ⁺	9.8	1.1	N.M.
Total	81.7	69.9	16.9

⁺ Includes coatings & paintings works, commercial interior designs, home retrofitting business, landscaping works, leasing services, waterproofing and green solutions business.

On a segmental basis, revenue contribution from the Group's R&R business segment grew 12.8% y-o-y to S\$54.5 million mainly from projects awarded by the Pasir Ris-Punggol Town Council, SKK (S) Pte Ltd, Bishan-Toa Payoh Town Council and Moulmein-Kallang Town Council.



The Group's A&A segment generated S\$17.4 million in revenue in FY2015, mainly from Neighbourhood Renewal Projects (“NRP”) for Choa Chu Kang Town Council and Tampines Town Council, representing a decline of 14.6% y-o-y.

The biggest growth in FY2015 came from the Group's Others business segment whose revenue rose from S\$1.1 million in FY2014 to S\$9.8 million in FY2015 due to a sharply improved performance from its interior design division and contribution from its four new businesses. The revenue was largely derived from interior design works for Aloha Loyang from the Public Service Division; a coatings and paintings project from Shimizu Corporation; and, a landscaping project from the Housing and Development Board of Singapore.

Mr Koh said, “For me, the most significant event in FY2015 was our strategic investment to expand our Others segment. Not only has it paid off handsomely in earnings, but more importantly, it has brought the Group several steps closer to our vision to be Singapore’s No. 1 and preferred partner for total maintenance solutions.”

As a result of another record showing, ISOTeam's cash and bank balances grew 83.5% to S\$32.3 million as at 30 June 2015.

Based on the weighted average number of 125,898,827 ordinary shares in issue in FY2015, Earnings Per Share was 6.45 Singapore cents compared to 5.19 Singapore cents in FY2014 with 116,669,721 weighted average number of ordinary shares in issue. Net asset value per share as at 30 June 2015 was 32.40 Singapore cents (based on 142,933,295 ordinary shares) compared to 21.87 Singapore cents as at 30 June 2014 (based on 117,595,831 ordinary shares).

Outlook

As at 30 June 2015, ISOTeam's order book stood at S\$84.7 million, including S\$55.9 million worth of new R&R, A&A, coatings & paintings and waterproofing projects it secured in the second half of FY2015. These projects will be progressively delivered over the next 24 months.



In addition, ISOTeam is the lowest tenderer for five other projects collectively worth S\$14.4 million including:

1. R&R project for Nee Soon Town Council
2. Reroofing project at Bedok North Road / Street
3. NRP / Electrical Load Upgrading project at Yishun Street 11
4. Reroofing works to 12 HDB residential blocks at Ang Mo Kio Ave, 1, 3 and 4
5. Reroofing works to 39 residential blocks at Serangoon North Ave 4

Looking to the future, ISOTeam expects to benefit from the general increase in public sector upgrading, retrofitting and maintenance of buildings and facilities in Singapore driven by ongoing Government initiatives to renew and rejuvenate middle-aged and mature estates.

On 18 August 2015, ISOTeam announced the launched of a new business – ISOHomeCare – which is an innovative online portal offering one-stop home improvement and maintenance services. ISOTeam is the first listed company of its kind to introduce a web portal offering such services.

Said Mr Koh: *“ISOHomeCare marks the fulfilment of our vision to offer a full suite of maintenance services. It has open up yet another new revenue stream for us and it will enable us to tap on the growing demand for handyman services as Singaporeans either do not have the know-how and proper equipment, or are too busy to handle their own home improvement needs.”*

“We are cautiously optimistic about our performance over the next 12 months because of our strong order book and new growth segments. We believe that there will be more public and private sector projects that will be up for tender in the coming months and we will actively pursue those in order to further strengthen our project pipeline,” added Mr Koh.

Although upbeat about the outlook, the Group remains mindful of rising cost pressures in the next 12 months including higher labour costs due to progressive increases in foreign workers’ levies.



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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 15 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 close to 3,000 buildings and counting since inception. An eco-conscious company, we integrate green methodologies in our R&R and A&A 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.

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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 Ms Joan Ling, Senior Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.