



ISOTEAM LTD.

FY2014 RESULTS

CORPORATE PRESENTATION



The Complete Building & Maintenance Team

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").



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- 3. Future Strategies & Plans**
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BUSINESS OVERVIEW



An **experienced R&R** (Repairs and Redecoration) **and A&A** (Addition and Alteration) **service provider** with a proven track record in implementing **eco-conscious solutions** in Singapore





The **Complete** Building and Maintenance Team with a **Green** Focus



- Repainting & redecoration
- Repairs
- Waterproofing & reroofing
- Improvements
- Routine maintenance



- Neighbourhood Renewal Programme (**NRP**)
- Hawker Upgrading Programme (**HUP**)
- Estate Upgrading Programme (**EUP**)



HOME RETROFITTING

- Interior design & space planning
- Design & build services (landed houses)
- Green building conceptualisation, design & build
- Home retrofit & fit-out services
- Property maintenance & enhancement

GREEN SOLUTIONS

- Thermal insulating plaster
- Anti-slip clear coating
- Nano-Titanium dioxide photocatalytic coating
- Composite timber decking

GREEN INITIATIVES APPLIED ACROSS ALL 3 SEGMENTS

- Green procurement policy
- Green construction methodology

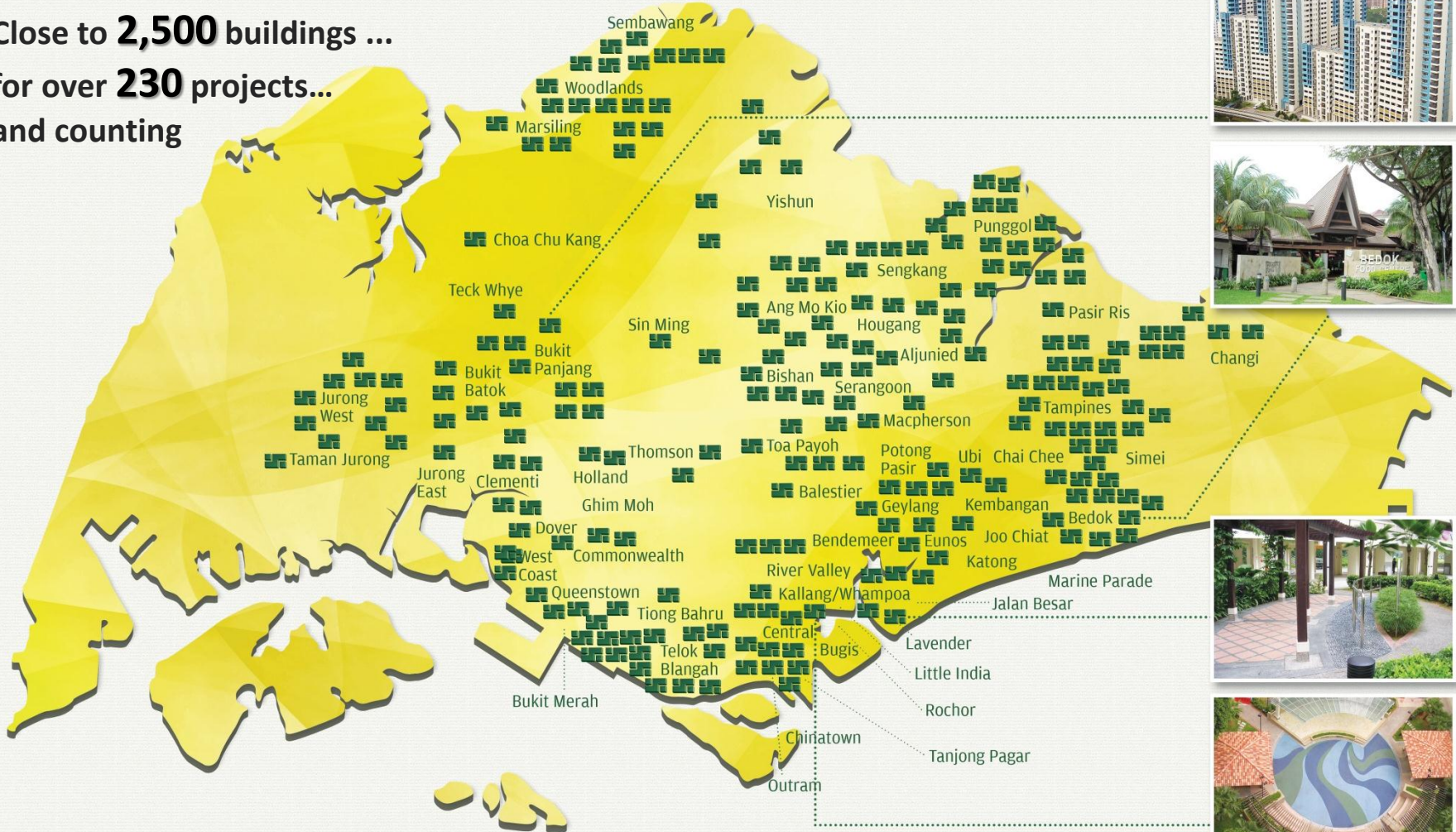




REJUVENATING SINGAPORE SINCE 1998



Close to **2,500** buildings ...
for over **230** projects...
and counting





FY2014 FINANCIAL HIGHLIGHTS

FULL YEAR ENDED 30 JUNE 2014



The Complete Building & Maintenance Team

FY2014 KEY TAKE-AWAYS



FY2013



1. Record financial performance: 3 consecutive years of record revenues; Revenue and earnings at all-time high in FY2014
2. R & R: Outperformed / progress in MCST segment
3. A & A: Stable performance / project timing
4. Home retrofitting: Gaining traction
5. Continued innovation: New products/services

FY2014

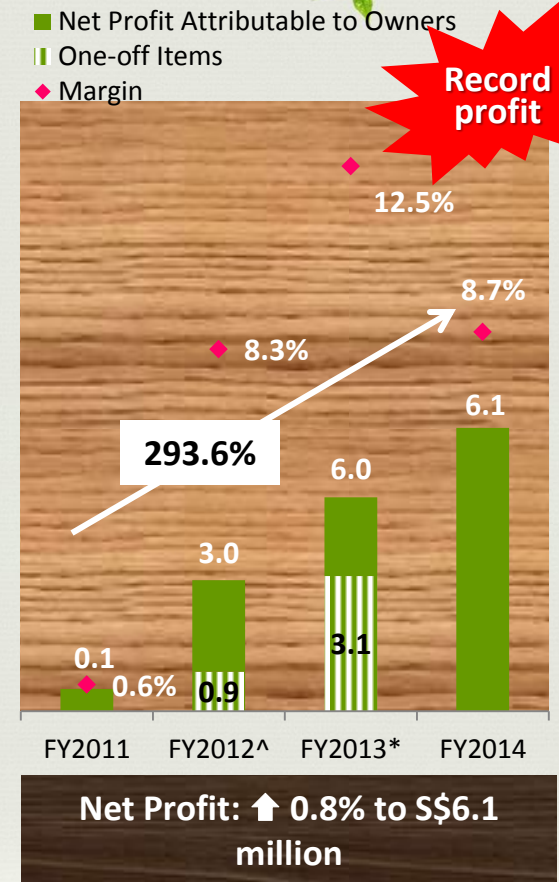
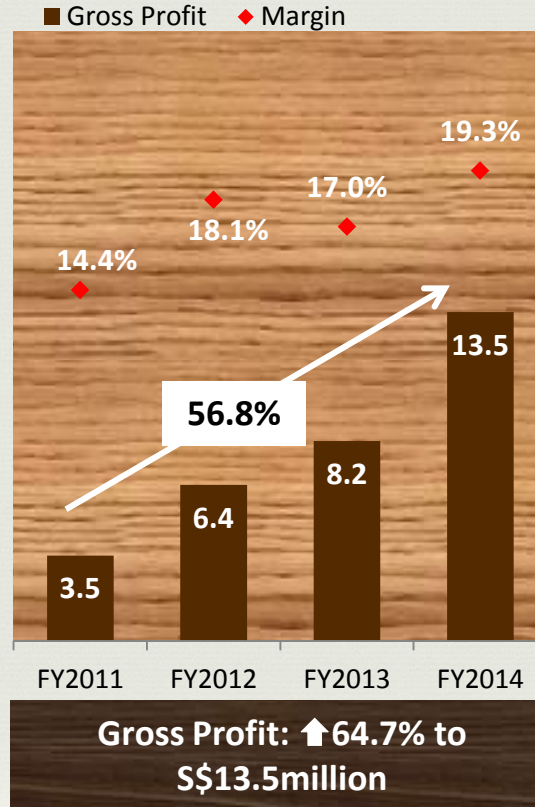
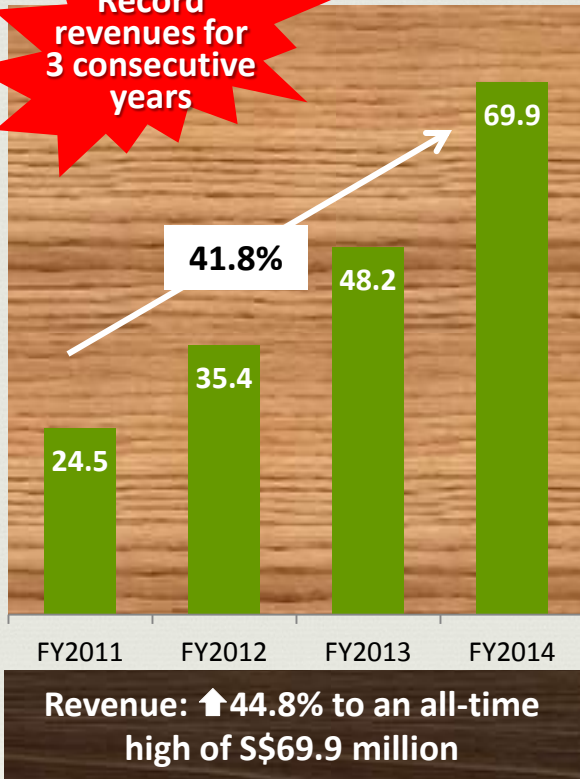




FY2014 FINANCIAL HIGHLIGHTS



Record revenues for 3 consecutive years



Record profit

[^]FY2012 includes a one-off gain on disposal of property, plant and equipment amounting to S\$0.9 million

^{*}FY2013 net profit includes a one-off gain on disposal of property, plant and equipment amounting to S\$4.2m and one-off IPO expenses amounting to S\$1.1 million



KEY FINANCIAL HIGHLIGHTS



KEY HIGHLIGHTS	FY2011	FY2012	FY2013	FY2014
PROFITABILITY RATIOS				
Earnings Per Share (cents)	0.17	2.51	5.11	5.15
Return On Assets (%)	0.7	10.9	18.3	12.3
Return On Equity (%)	1.6	24.4	41.1 [*]	23.5
BALANCE SHEET				
Current assets (S\$'m)	13.2	20.9	28.0	43.8
Cash and bank balances (S\$'m)	3.5	5.5	8.5	17.6
Net current assets (S\$'m)	2.6	6.6	10.4	20.8
Net assets (S\$'m)	9.2	12.1	14.6	25.8
KEY OPERATING RATIOS				
Profit before tax margin (%)	1.0	7.1 ^{**}	6.8 ^{**}	9.6
Net profit margin (%)	0.6	5.9 ^{**}	6.0 ^{**}	8.7

* Including one-off items

** Excluding one-off items

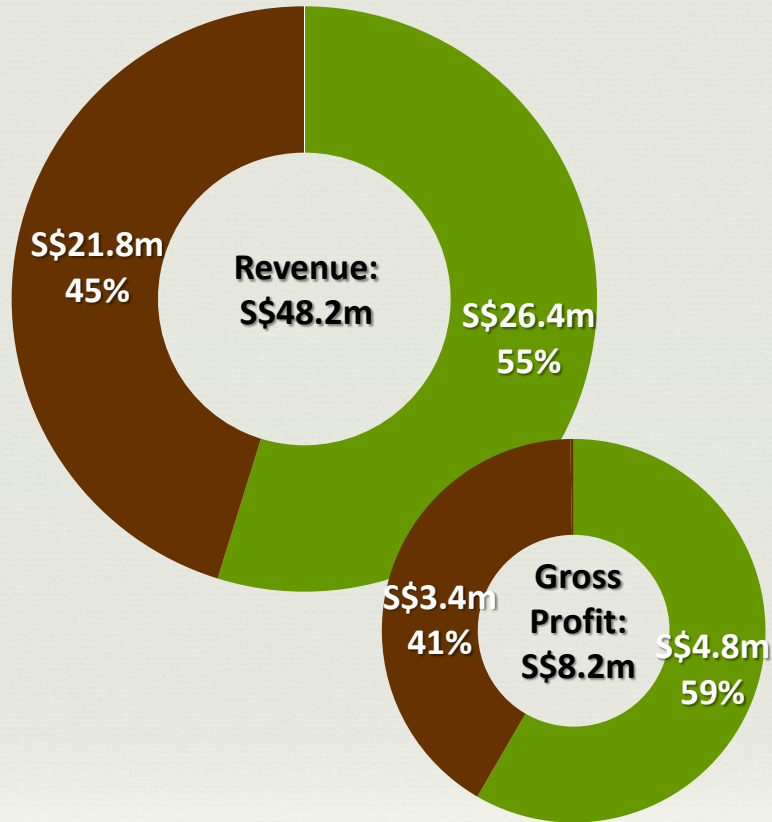
^ FY2012 – FY2014 EPS is based on share capital of 117,595,831 shares in issue.



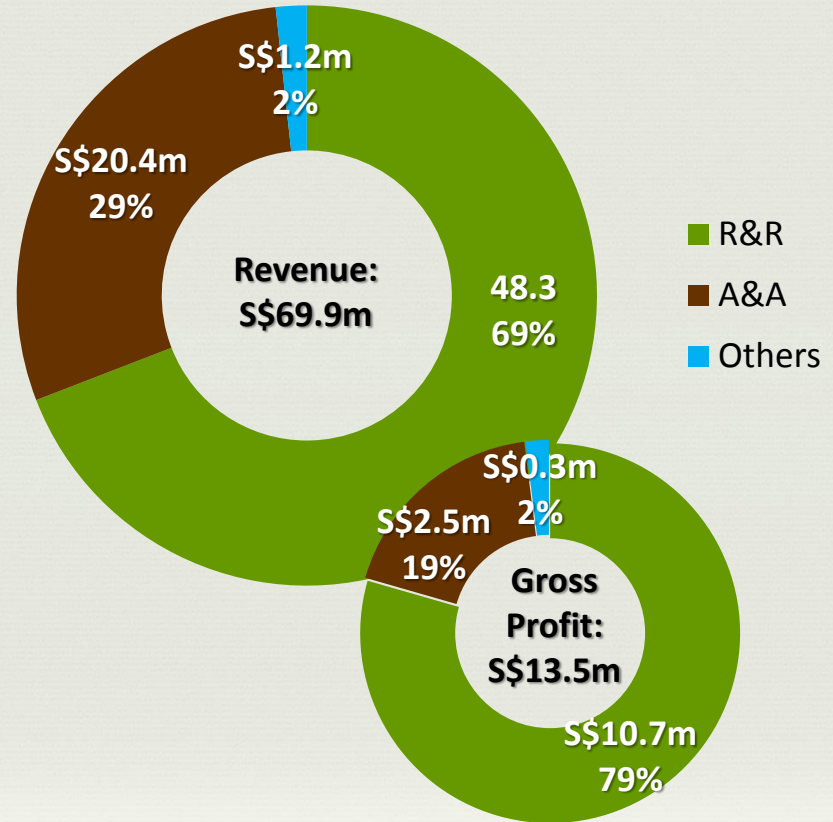
SEGMENT INFO: REVENUE & GROSS PROFIT



FY2013



FY2014



- "Others" comprise the home retrofitting business and green solutions business.
- FY2013 revenue includes contribution from "Others" amounting to S\$96,000 or 0.2%

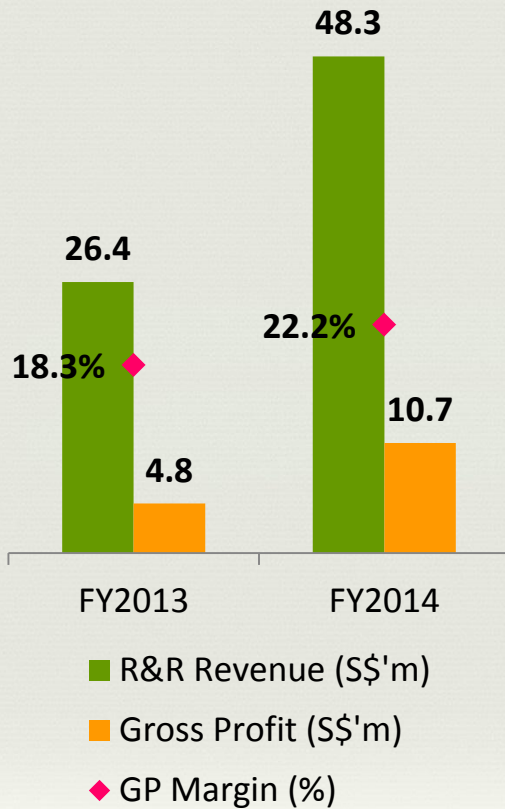


R&R SEGMENT: A BUMPER YEAR

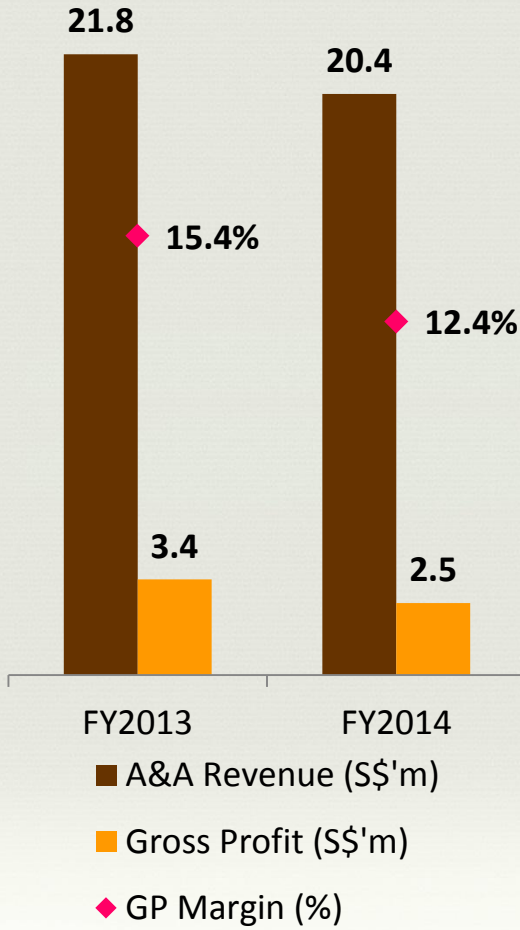


Revenue **↑83.2%**; Gross margin **↑ 3.9 points**

- Completed and delivered 20 projects in FY2014
- Major contribution from key projects that included
 - SKK for public projects
 - Moulmein-Kallang Town Council
 - Tanjong Pagar Town Council
 - Pasir-Ris Punggol Town Council



A&A SEGMENT: STABLE



Revenue ↓6.4%

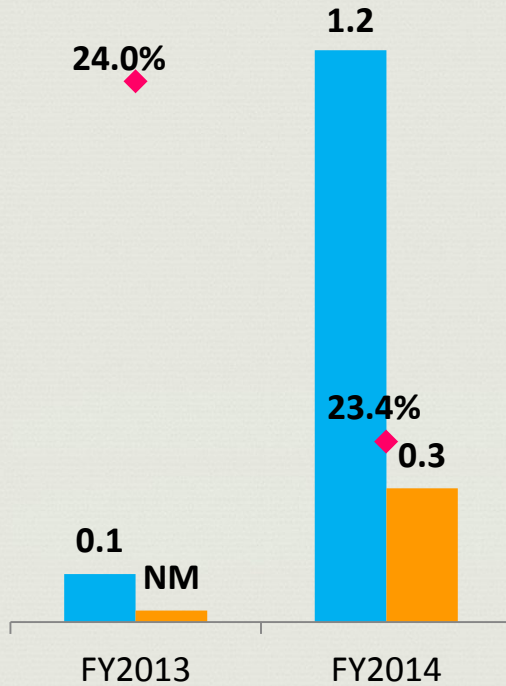
- Major contribution from NRP projects that included
 - Nee Soon Town Council
 - Tampines Town Council
 - Marine Parade Town Council

Gross margin ↓ 3.0 points

- Higher subcontracting and labour costs



OTHERS SEGMENT: GAINING TRACTION



- Others Revenue
- Gross Profit (S\$m)
- ◆ GP Margin (%)

Revenue ↑ over 10 folds year-on-year

- Comprise Home Retrofitting & Green Solutions business

Home retrofitting business

- Won over 20 interior fit out projects within nine months of set up

Green Solutions business

- Sizable contracts for composite timber decking works secured from both public and private sectors



• *NM denotes "Not Meaningful"; FY2013 gross profit from Others amounted to S\$23,000*





CONTRACTS SECURED IN FY2014



1H2014

TYPE	ESTATE	NO. OF BLOCKS / PROJECT	VALUE (\$\$'m)	EXPECTED COMPLETION DATE	CUSTOMER	STATUS
R&R	Ang Mo Kio Ave 6, 8 and 9	27	4.9	Nov 2014	Ang Mo Kio Town Council	Ongoing
R&R	Bukit Batok West Ave 2, 4 and 7	15	1.6	Aug 2014	SKK	Ongoing
R&R	Pasir Ris Street 11	17	3.8	Nov 2014	Pasir Ris-Punggol Town Council	Ongoing
R&R	Serenity Park	Private residential	0.3	Sep 2014	SKK	Ongoing
R&R	Treetops Executive Residences	Private residential	0.1	Jan 2014	SKK	Completed
R&R	The Plaza	Hotel	0.2	Sep 2014	SKK	Ongoing
R&R	Bedok North Ave 3 and St 2	10	3.0	Jul 2014	East Coast Town Council	Ongoing
R&R	Bukit Batok East Division	14	2.4	Oct 2014	Jurong Town Council	Ongoing
R&R	Pasir Ris Drive 1,3 and 10	26	2.8	Nov 2014	Pasir Ris-Punggol Town Council	Ongoing
A&A	Jurong West St 91	NRP	10.3	Oct 2015	Chua Chu Kang Town Council	Ongoing
R&R	Anchorvale Lane	12	2.1	Oct 2014	SKK	Ongoing
R&R	Toa Payoh	10	3.2	Nov 2014	SKK	Ongoing
R&R	Pasir Ris Drive	26	6.3	Feb 2015	Pasir Ris-Punggol Town Council	Ongoing
Value of projects secured in 1H2014			41.0			





CONTRACTS SECURED IN FY2014



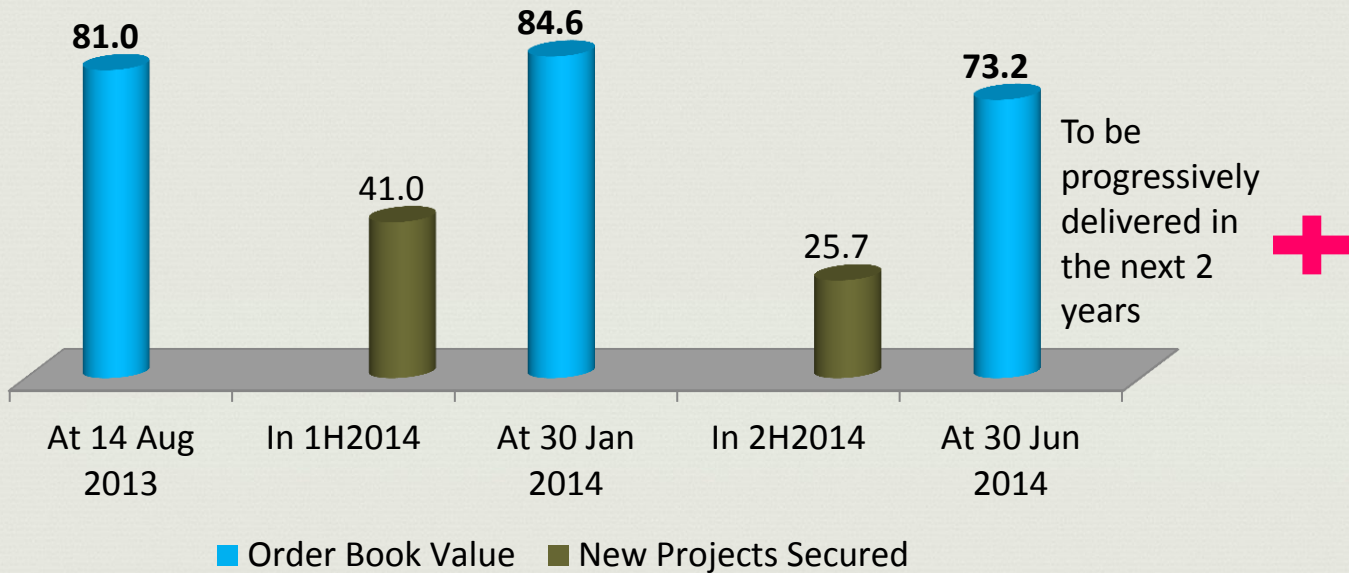
2H2014

TYPE	ESTATE	NO. OF BLOCKS / PROJECT	VALUE (\$\$'m)	EXPECTED COMPLETION DATE	CUSTOMER	STATUS
R&R	Blossoms @ Woodleigh	Private residential	0.4	Sep 2014	SKK	Ongoing
R&R	Pasir Ris Street 71	17	3.3	Jan 2015	Pasir Ris-Punggol Town Council	Ongoing
R&R	Bishan Street 22	19	3.9	Mar 2015	SKK	Ongoing
R&R	Jalan Tenteram and Whampoa Drive	16	4.9	Mar 2015	Moulmein-Kallang Town Council	Ongoing
A&A	Hougang Streets 51, 52 and Hougang Avenue 8	33 (NRP and ELU)	5.9	Mar 2016	Pasir Ris-Punggol Town Council	Yet to commence
R&R	Toa Payoh Lor 5/6 and Toa Payoh East	16	4.0	Apr 2015	Bishan-Toa Payoh Town Council	Yet to commence
R&R	Commonwealth	16	3.3	May 2015	West Coast Town Council	Yet to commence
Value of projects secured in 2H2014			25.7			





ORDER BOOK



Total lowest tenderer position for projects worth \$39.8 million

\$18.3 million A&A projects at Teck Whye Primary School and West View Primary School

\$10.7 million NRP and R&R project at Bukit Batok East Ave 3 and 4

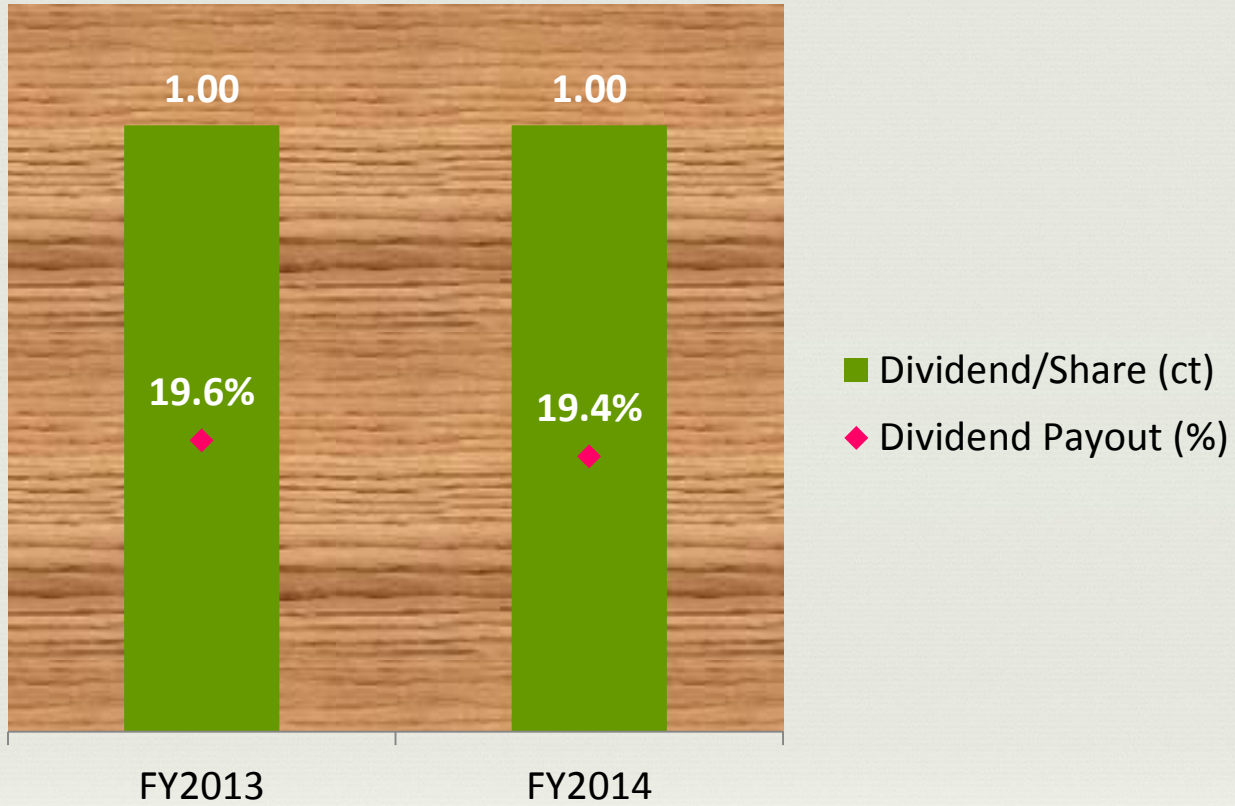
\$4.7 million NRP project at Blocks 241 to 259 Kim Keat Avenue/Link

\$3.2 million R&R projects at Amoy Food Centre, Dunman Food Centre and Sembawang Food Centre

\$2.9 million R&R project at Redhill Close/Road and Lane; Henderson Road and Bukit Merah Central



DIVIDEND





FUTURE STRATEGIES & PLANS

The Complete Building & Maintenance Team





IN THE NEWS



The Straits Times
www.straitstimes.com

Published on Jan 28, 2014

HDB blocks upgraded as energy consumption rises

By Joanna Seow

THE BUSINESS TIMES

PUBLISHED FEBRUARY 17, 2014

Green Mark push raises demand for retrofitting Building solutions providers and chiller makers see it as a new growth area

BY GRACE LEONG GLEONG@SPH.COM.SG

The Straits Times
www.straitstimes.com

Published on Mar 11, 2014

BUDGET DEBATE Facelifts for three more HDB towns

By Janice Heng

The Straits Times
www.straitstimes.com

Published on Jul 08, 2014

PARLIAMENT Early 1990s HDB blocks may get upgrade

By Rachel Au-Yong

More Projects Coming Online...

Straits Times, 28 January 2014

"The upgrading has cost nearly \$1 billion so far...." "The works are extensive..." Mr Khaw said"

Business Times, 17 February 2014

"...we still have more than 6,500 to 8,000 existing building stock that need retrofitting"

Straits Times, 11 March 2014

"This year there will also be another 14 projects under NRP..."

Straits Times, 8 July 2014

"Housing Board precincts built in the early 1990s could be eligible for a major makeover under NRP... Now that we have crossed the three-quarter mark, it is timely to review the original set of selection criteria," said Mr Khaw."



GROWTH OPPORTUNITIES



GREENING OF SINGAPORE



OPPORTUNITIES IN RELATED OR ANCILLARY BUSINESS



REGULATORY REQUIREMENTS FOR BUILDING MAINTENANCE



GOVERNMENT INITIATIVES

- URA enhanced its Landscaping for Urban Spaces and High Rises (LUSH) Programme to include more areas⁽¹⁾
- NEA: 10 new hawker centres by 2017⁽²⁾
- Population increase plans
- External building walls repainted at intervals of not more than 5 years⁽³⁾
- Increasing demand for refurbishment of mature estates
- On-going rejuvenation of new and middle-aged estates
- Government-driven measures to promote resource-efficient buildings
- 80% of buildings to be Green Marked by 2030

Sources:

- 1) URA's website: <http://www.ura.gov.sg/uol/media-room/news/2014/jun/pr14-35.aspx>
- 2) The Straits Times Online at <http://www.straitstimes.com/breaking-news/singapore/story/3-towns-get-new-hawker-centres-20121021>
- 3) Section 4 of the Building Maintenance and Strata Management Act (Lift and Building Maintenance) Regulations 2005

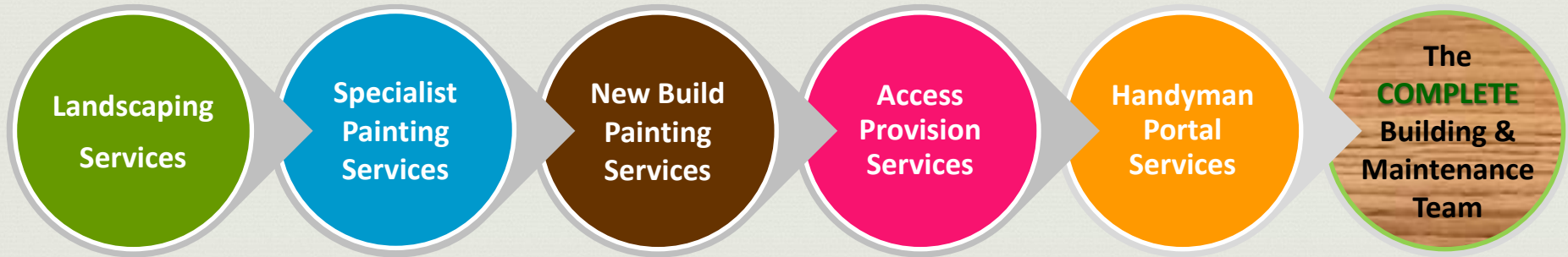




THE VISION – THE COMPLETE BUILDING & MAINTENANCE TEAM



Leveraging our existing competitive edge in R&R and A&A to eventually become a one-stop services provider....



- Target residential and commercial projects in private and public sectors
- Capitalise on Greening trend in Singapore

- Niche products targeted commercial and industrials sectors
- Eg fire proofing paints

- Aimed at public and commercial new buildings

- Rental of equipment used in R&R industry eg boom and scissor lifts

- Leverage existing network of clients ie town councils, MCST, industrial/commercial property managers
- Tap established working relationships with handyman services providers
- Capitalise on increasing trend of people going online to search for services

- Offering a wholesome suite of services





FUTURE PLANS



Broaden range of eco-conscious solutions and products business; Expand equipment fleet

- Strategic investments/partnerships to develop and commercialise eco-conscious innovations
- R&D with strategic partners to develop and commercialise eco-conscious innovations
- Boost capability for more projects and maximise cost efficiency for customers



Expand via inorganic growth and developing new business

- Launch complementary / ancillary services that are synergistical to existing business



Increase our R&R and A&A services to other untapped sectors

- Other public sectors: Education institutions; army camps projects
- Non-public sectors: MCST, industrial and commercial projects





KEY INVESTMENT MERITS



1. **Strong track record** | Built over 15 years; Recognised for timely delivery, quality, reliability and safety
2. **Long-standing and established relationships with stakeholders** | Exclusive applicator of paint works for SKK and Nippon Paint Singapore
3. **Early mover in environmentally sustainable solutions** | Well-positioned for opportunities arising from eco-conscious projects
4. **Experienced and professional team** | Executive directors collectively have close to 80 years of experience in the building maintenance and estate upgrading industry
5. **Capability to handle a wide spectrum of projects** | Resilient to adverse changing market conditions
6. **Ability to deliver cost-effective solutions to customers** | Leverage in-house equipment and capabilities to undertake more projects and maximise cost efficiencies & outsource jobs when more cost effective
7. **Strong order book** | S\$73.2 million as at 30 June 2014 to be delivered in the next 2 years; total lowest tenderer position for projects worth \$39.8 million
8. **Positive prospects in Singapore** | General rise in demand for public sector upgrading, retrofitting and maintenance of buildings and facilities





THANK YOU Q&A SESSION



The Complete Building & Maintenance Team