



# **FY2017 Presentation August 2017**



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# OVERVIEW



## ABOUT US

- A leading **R&R, A&A** and **complementary niche specialist** services provider in Singapore with a proven track record in **eco-conscious solutions**
- Completed **399** building refurbishment and upgrading projects for **close to 4,000** buildings since 1998
  - A trusted **local** and growing **regional** brand

19-year Track record

One-stop provider

Established  
Stakeholder  
Relationships

Experienced &  
Professional  
Management Team

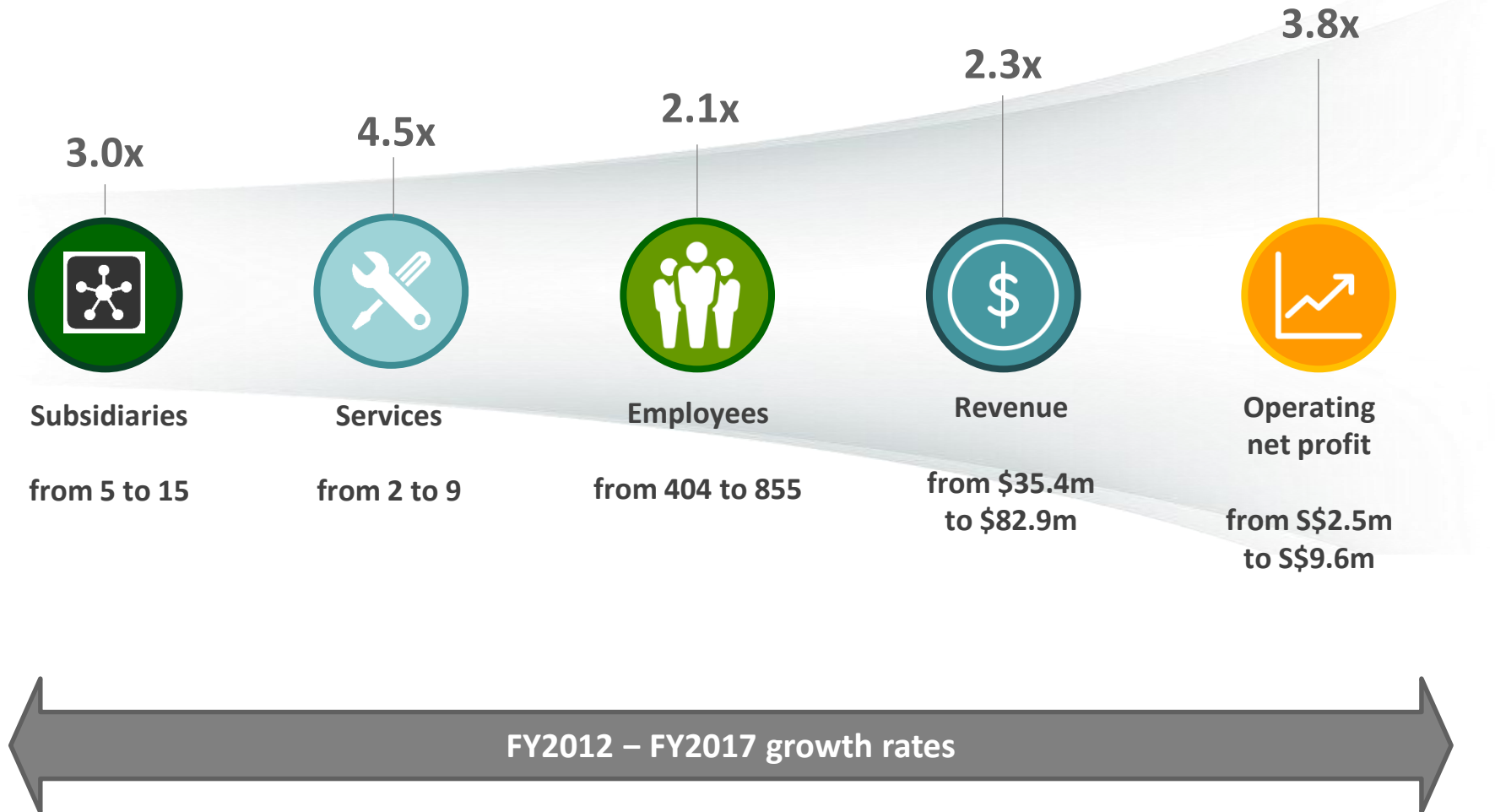
Industry  
Recognised Safety  
& Management  
Systems

Broad & Growing  
Range of Services

Early Mover in  
Green Solutions

Leading Brand  
Focused On Growth  
& Overseas  
Expansion

## OUR GROWTH SINCE LISTING





# CORPORATE STRUCTURE

100%	<b>Raymond Construction Pte Ltd</b> ▶ Addition & Alteration		
100%	<b>ISO-Team Corporation Pte Ltd</b> ▶ Addition & Alteration; Repair & Redecoration		
100%	<b>TMS Alliances Pte. Ltd.</b> ▶ Repair & Redecoration; ISOHomeCare handyman portal		5 subsidiaries upon listing involved mainly in R&R- and A&A- related works
100%	<b>ISOTeam Green Solutions Pte. Ltd.</b> ▶ Eco-friendly solutions/ products		
100%	<b>ISO-Seal Waterproofing Pte. Ltd.</b> ▶ Reroofing; Waterproofing		
51%	<b>Zara @ ISOTeam Pte. Ltd.</b> ▶ Interior fitting-out works		
100%	<b>ISOTeam Access Pte. Ltd.</b> ▶ Rental/ sale of height access equipment		
100%	<b>ISOTeam C&amp;P Pte. Ltd.</b> ▶ Specialist coating & painting		Substantially grew scale of operations with acquisition of 4 complementary business units in October 2014
100%	<b>ISO-Landscape Pte. Ltd.</b> ▶ Niche landscaping; Horticulture services		
100%	<b>Industrial Contracts Marketing (2001) Pte. Ltd.</b> ▶ Fireproofing coating; Floor-coating application; Specialist new-build painting		
100%	<b>ISOTEAM TMG Pte. Ltd.</b> ▶ Specialist addition & alteration; architectural and commercial interior design		Acquired in December 2015
90%	<b>ISOTeam (TMS) Myanmar Limited</b> (A subsidiary of TMS Alliances Pte. Ltd.) ▶ Repair & Redecoration in Myanmar		Maiden overseas JV foray in April 2016 with Nippon Paint
55%	<b>ITG Projects Sdn Bhd</b> ▶ Interior design works in Malaysia		Malaysian JV company established in October 2016
100%	<b>ISO Integrated M&amp;E Pte. Ltd.</b> ▶ Electrical works		Acquired in January 2017
51%	<b>SG Bike Pte. Ltd.</b> ▶ Singapore's first locally established bike sharing company		Incorporated in August 2017



# OUR MULTI-DISCIPLINARY CAPABILITIES

**Well-positioned  
to cater to  
requirements in  
Singapore's built  
environment  
with  
comprehensive  
set of services**



# R&R: ONE OF SINGAPORE'S TOP PLAYERS



**321** public housing  
R&R projects completed todate

**961** private residential R&R  
projects completed todate

## What we do:

- Repainting, repair and redecoration
- Waterproofing and reroofing
- Improvement works
- Routine maintenance
- Term contract works

- Exclusive applicator for SKK<sup>(1)</sup> and Nippon Paint<sup>(2)</sup>
- BCA L5 Financial Grading (CR09)
- Wide-ranging customer segments in the public and private sector

*(1) SKK - public housing sector (since 1998) + JTC/HDB industrial projects and army camps (since 2013)*

*(2) Nippon Paint - HDB and town councils sector (since 2004)*



# A&A: A RECOGNISED INDUSTRY LEADER



**20** NRP projects completed to date

**36** markets and food centres for  
HUP and R&R projects completed to date

## What we do:

- Neighbourhood Renewal Programme (NRP)
- Hawker Centre Upgrading Programme (HUP)
- Estate Upgrading Programme (EUP)
- Home Improvement Programme (HIP)
- Electrical Load Upgrading (ELU)

- BCA B1 Financial Grading (CW01)<sup>(1)</sup>
- ISO Team Corporation upgraded to BCA B1 Financial Grading in August 2017
- Wide ranging customer base with the main source of income from public sector estate upgrading programmes
- Strong track record in NRP, HUP, EUP, HIP

*(1) Raymond Construction Pte. Ltd.*

# C&P: A FAST-GROWING BUSINESS



## What we do:

- New build painting
- Eco-friendly coating
- Architectural and protective coating
- Fireproofing coating
- Niche industrial coating

## Customers across diverse segments:

- Residential
- Commercial
- Industrial
- Community
- Institutional





## ARCHITECTURAL & ENGINEERING SOLUTIONS

- Commercial A&A works
- Building services
- Engineering works
- Architectural & commercial interior construction solutions
- Advanced building technologies

## ID

- Interior design and fitting-out
- Design and build works
- Home retrofit and fit-out services
- Property maintenance and enhancement

## HEIGHT ACCESS EQUIPMENT

- Leasing of boom lifts, scissor lifts, personnel lifts, forklifts and telehandlers

## DIGITAL HANDYMAN SERVICES

- Home care and upgrading
- General repairs and maintenance

## LANDSCAPING

- Vertical gardens
- Horticulture services and maintenance
- Floating plantings
- Niche landscaping services

## ECO-FRIENDLY SOLUTIONS

- Thermal insulating plaster
- Anti-slip floor coating
- Green label intumescent fireproofing coating
- Composite timber decking
- Renewable energy installation
- Cockroaches and Odour Remover (CnO)

## MECHANICAL & ELECTRICAL

- Electrical works
- Mechanical ventilation works
- Security, fire protection system
- Sanitary and plumbing services

## BIKE SHARING

- Next generation bike sharing using virtual docking stations



Landscaping for a multi-storey carpark at Jurong West



Height access equipment



Solar panels installation at Tampines Estate



# WHY INVEST IN ISOTEAM?

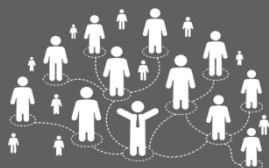
## 1 Track Record

- An industry leader with a 19-year track record
- Completed 399 refurbishment and upgrading projects for almost 4,000 buildings



## 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



## 4 Team

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



## 5 Future

- Strong order book
- Upside from new business units
- Positive prospects in Singapore
- Overseas expansion
- Minimum dividend payout of 20%





# BUSINESS HIGHLIGHTS



# FY2017 IN REVIEW

Wins S\$20.11m in new projects:

- 1<sup>st</sup> painting job in Myanmar
- 2<sup>nd</sup> renewable energy project in Singapore (Emergency Fuel Cell Operating Power Systems)



- Completes purchase of property at Changi for S\$12.6m to consolidate operations
- Currently undergoing renovations; target to relocate to new HQ by end 2017

2016

AUG

OCT

2017

JAN

APR

MAY



- Forms 55/45 joint venture company to provide interior design services in Malaysia
- Implements dividend policy to at least 20% of profit after tax and minority interest<sup>(1)</sup>
- Launches mobile app for ISOHomecare

- Acquires ISO Integrated M&E Pte. Ltd.<sup>(2)</sup>; gains M&E capabilities
- Wins S\$22.7m in new contracts including its 3<sup>rd</sup> and single largest renewable energy project worth S\$6.3m
- Wins 1<sup>st</sup> HIP project worth S\$17.5m

- Invests \$5m in Sunseap Group; strengthens collaboration as partners in the renewable energy business



(1) Excluding non-recurring, one-off and exceptional items

(2) Formerly known as Rong Shun Engineering & Construction



# R&R: KEY OPERATIONS UPDATES

- Completed **13 projects** for **132 HDB blocks** in FY2017
- Significant completed projects and milestones include:
  - Multi-storey carparks for HBD
  - 26 blocks (Compassvale Walk)
  - Temporary market at Jurong West (completed within 6 weeks)
- Some on-going projects include:
  - Tekka Centre; expected completion November 2017
  - Tiong Bahru Market; expected completion October 2017
  - College of Medicine at Singapore General Hospital (SGH); expected completion September 2017 (A monuments building project)
  - Largest MCST R&R project, Dairy Farm Estate; expected completion December 2017



*College of Medicine at SGH*



*Temporary market at Jurong West*



*Tiong Bahru Market*

# A&A: KEY OPERATIONS UPDATES

- Completed **9 projects** in FY2017
- Significant projects completed include:
  - NRP at Bukit Batok West Ave 4 and 7
  - NRP at Jurong West St 91
  - Market and food centre at Jurong East Ave 1 and Ang Mo Kio Ave 10
- Ongoing projects include:
  - Our 1st and largest HIP project (19 blocks, Tampines Street 22 & Yishun Ring Road); expected completion August 2018
  - Aloha Changi Resort, our largest A&A project in FY2017; expected completion September 2017
  - NRP (27 blocks, Tampines St 21 & Tampines Central 1); expected completion January 2018
  - NRP (24 blocks, Hougang Ave 8/10); expected completion September 2017



*NRP at Hougang Ave 8/10*



*Aloha Changi Resort*



# C&P: KEY OPERATIONS UPDATES

- ISOTeam C&P completed **10 projects** in FY2017
  - National Art Gallery
  - Motor workshop at Sin Ming
  - Industrial building at Tuas Bay Close
- Some ongoing projects include:
  - Largest new site painting project, National Centre for Infectious Disease (NCID); expected completion February 2018
  - Tampines Town Hub, Singapore's first integrated community hub; expected completion November 2017
  - Carros Centre, Singapore's largest freehold automobile mega hub; expected completion November 2017
  - Sengkang General and Community Hospital; expected completion November 2017
  - The State Courts at Havelock Square; expected completion December 2019



*Tampines Town Hub*



*Carros Centre*



*The State Courts*



*Sengkang General Hospital*



# OTHERS: KEY OPERATIONS UPDATES

## ARCHITECTURAL & ENGINEERING SOLUTIONS

- Completed **11** projects worth approximately S\$11m in FY2017

*Starz Restaurant, RWS*



*Hard Rock Hotel (lobby), RWS*



*The Bird, MBS*

### N/S Completed Projects

- 1 The Bird at MBS
- 2 Leedon Resident
- 3 Starz Restaurant
- 4 Swimming Pool Deck at RWS
- 5 Hard Rock Main Lobby
- 6 Whirlpool at Harvey Norman
- 7 ALBA Condo
- 8 Wearnes Car Delivery Centre at Pesawat
- 9 Prudential Tower
- 10 Burberry at ION
- 11 The Co Service Office at High Street



# OTHERS: KEY OPERATIONS UPDATES

## ID

- Completed office and other commercial projects worth S\$1.5m in FY2017
- Ongoing Aloha Changi Chalet contract



## LANDSCAPING

- Completed 2 iconic projects - OUE Downtown and OUE Crown Hotel@Changi Airport and a rooftop landscape for a HDB car park in FY2017



## ISOHOMECARE

- Launched mobile App
- Expanded to 4 vehicle teams
- Extended services into CCTV and office handyman repairs

## WATERPROOFING

- Expanded into household consumer market



# OTHERS: KEY OPERATIONS UPDATES

## ECO-FRIENDLY SOLUTIONS

### Renewable energy installation

- Ongoing project from HOPE Technik Pte. Ltd. to install Emergency Fuel Cell Operating Power Systems as back-up power generators for lifts at HDB blocks at Punggol
- Secured single largest project from Sunseap Leasing Pte. Ltd. to install grid-tied solar photovoltaic system for 150 HDB blocks; expected completion January 2018
- Acquired minority interest in Sunseap
- Cooperation agreement with Sunseap for HDB projects: possible installation works for up to 425 HDB blocks

### Cockroaches and Odour (CnO) Remover

- Successful trial in Tampines estate
- At final stage of NEA registration
- Market entry and revenue stream expected in FY2018



*CnO spraying at Tampines;  
CNA 7 May 2017*

Singapore

**Tampines to use environmentally friendly anti-roach treatment from June**



Tampines estate from June will start a new environmentally friendly enzyme treatment to control the cockroach population, said Tampines Town Council in a release on Sunday (May 7).



*Solar panel installation at Tampines*



# DEVELOPMENTS IN MYANMAR & MALAYSIA

## MYANMAR

- Won 4 contracts in November and December 2016 including Times City, a mixed-use development located on 10 acres in central Yangon
- Focusing on building relationships with main / sub contractors and clients
- Working with Nippon Paint to target residential home owners and commercial / retail building owners: mainly middle to high-end projects by Singapore and international developers/owners



## MALAYSIA

- Official ID partner of Westar Construction & Property for Pudina @ Presint 17 Putrajaya
- Secured a project from Weststar for dwelling unit cleaning works



Pudina @ Presint 17 Putrajaya





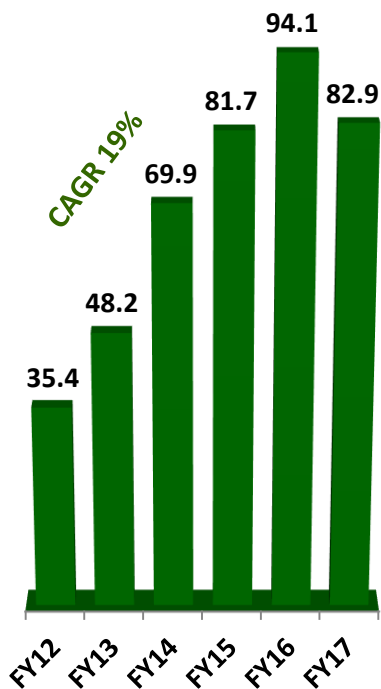
ISOTEAM

# FINANCIAL HIGHLIGHTS



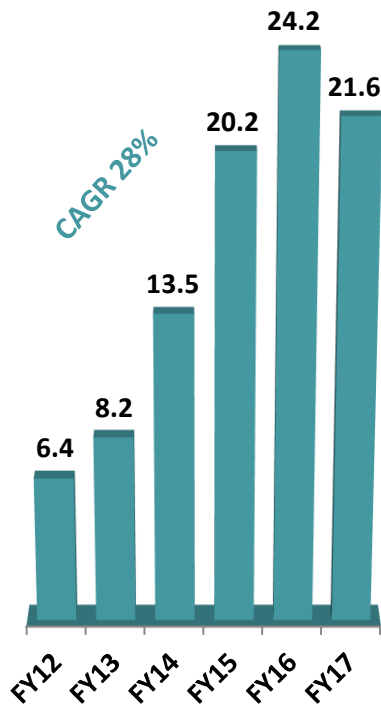
# FINANCIAL TRACK RECORD

Revenue (S\$'m)



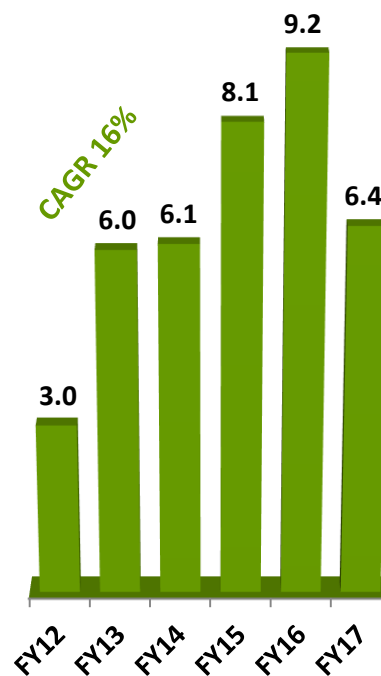
↓ 11.9 %

Gross Profit (S\$'m)



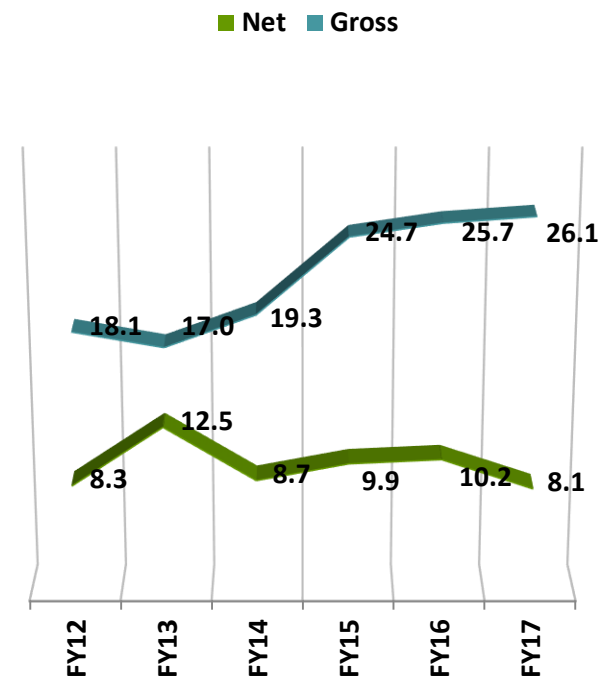
↓ 10.4 %

Net Attributable Profit (S\$'m)



↓ 30.1 %

Profit Margin (%)



GPM ↑ 0.4 points

NPM ↓ 2.1 points



# INCOME STATEMENT: EXPENSES

KEY EXPENSES (S\$'M)	FY2015	FY2016	FY2017	Chg (%)*
Cost of sales	(61.5)	(70.0)	(61.3)	(12.4)
Marketing and distribution expenses	(1.1)	(1.8)	(1.4)	(25.4)
General and administrative expenses	(9.5)	(12.1)	(15.1)	25.0
Other operating expenses	(0.8)	(1.5)	(0.4)	(76.5)
Finance costs	(0.3)	(0.4)	(0.5)	28.7
Tax expense	(1.4)	(0.7)	(0.3)	(63.3)

\* FY2016 versus FY2017

## Marketing and distribution expenses

- Decrease in depreciation and repair and upkeep expenses of motor vehicles

## General and administrative expenses

- Increase in staff costs and overhead costs due to expansion of business and acquisition of new subsidiaries, incorporation of JV companies in Myanmar and Malaysia, and allowance for doubtful receivables amounting to S\$1.4m for a customer under receivership

## Other Operating Expenses

- Decrease in amortization of intangible assets arising from the acquisitions of subsidiaries

# KEY FINANCIAL HIGHLIGHTS

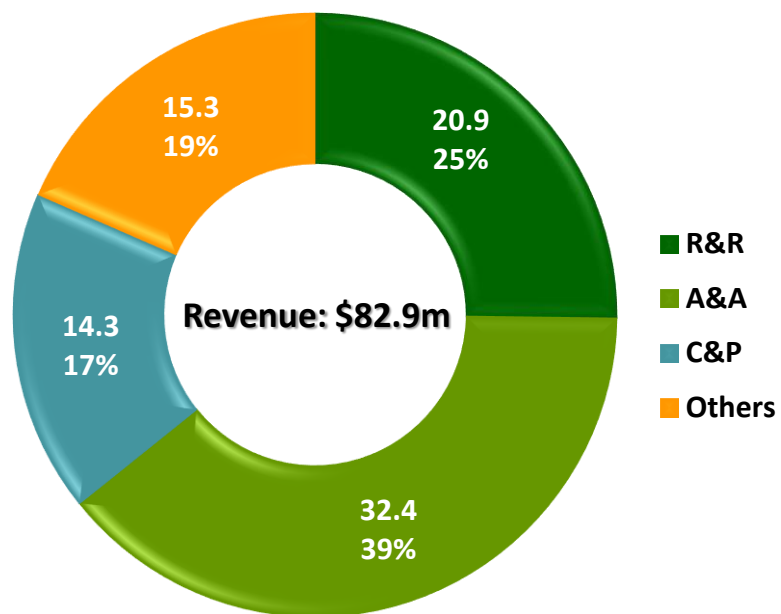
KEY HIGHLIGHTS	FY2015	FY2016	FY2017
<b>PROFITABILITY RATIOS<sup>(1)</sup></b>			
Earnings Per Share <sup>(2)</sup> (cents)	3.33	3.23	2.27
Return On Assets (%)	11.6	12.4	9.2
Return On Equity (%)	18.9	21.7	16.0
<b>BALANCE SHEET</b>			
Current assets (S\$'m)	61.0	71.5	58.7
Cash and bank balances (S\$'m)	32.3	34.1	14.8
Net current assets (S\$'m)	33.8	35.4	30.9
Net assets (S\$'m)	46.4	53.9	58.7
<b>KEY OPERATING RATIOS</b>			
Profit before tax margin (%)	12.5	13.2	11.6
Net operating profit margin (%)	10.7	12.4	11.3

(1) Adjusted and Normalised

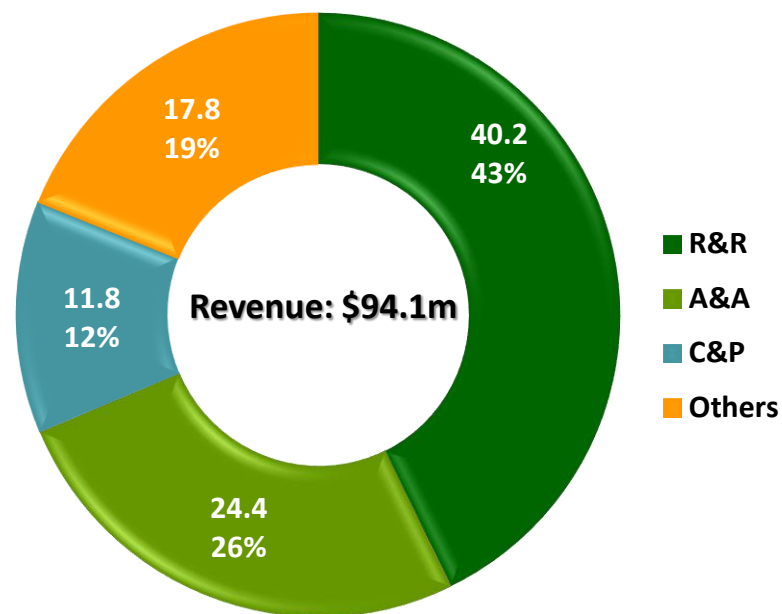
(2) Calculation of EPS is based on the weighted average number of ordinary shares of 285,746,788 in FY2016 and 284,205,736 shares in FY2017

## SEGMENT INFO: REVENUE

**FY2017 (\$\$'m)**



**FY2016 (\$\$'m)**

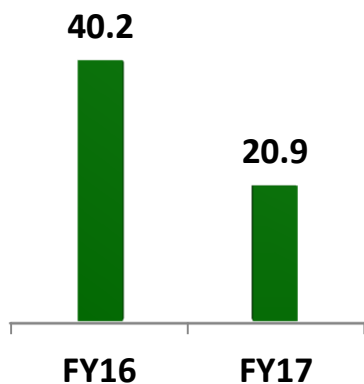


- “Others”: Commercial interior designs (ID); home retrofitting business, landscaping works; leasing service; waterproofing, green solutions business and mechanical and electrical engineering works

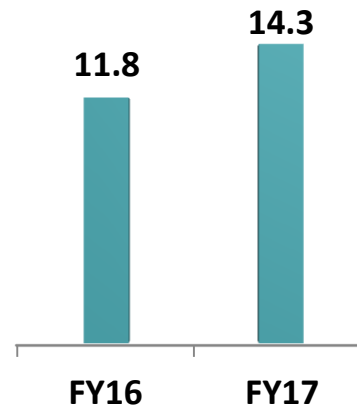


# REVENUE ANALYSIS BY BUSINESS SEGMENTS

R&R revenue ↓48.1%



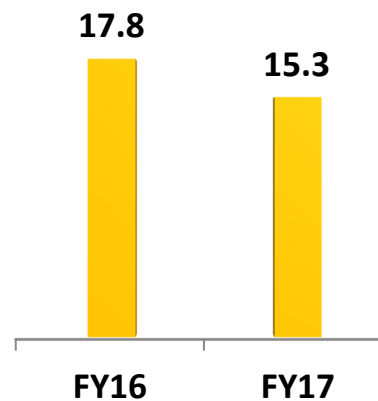
C&P revenue ↑21.8%



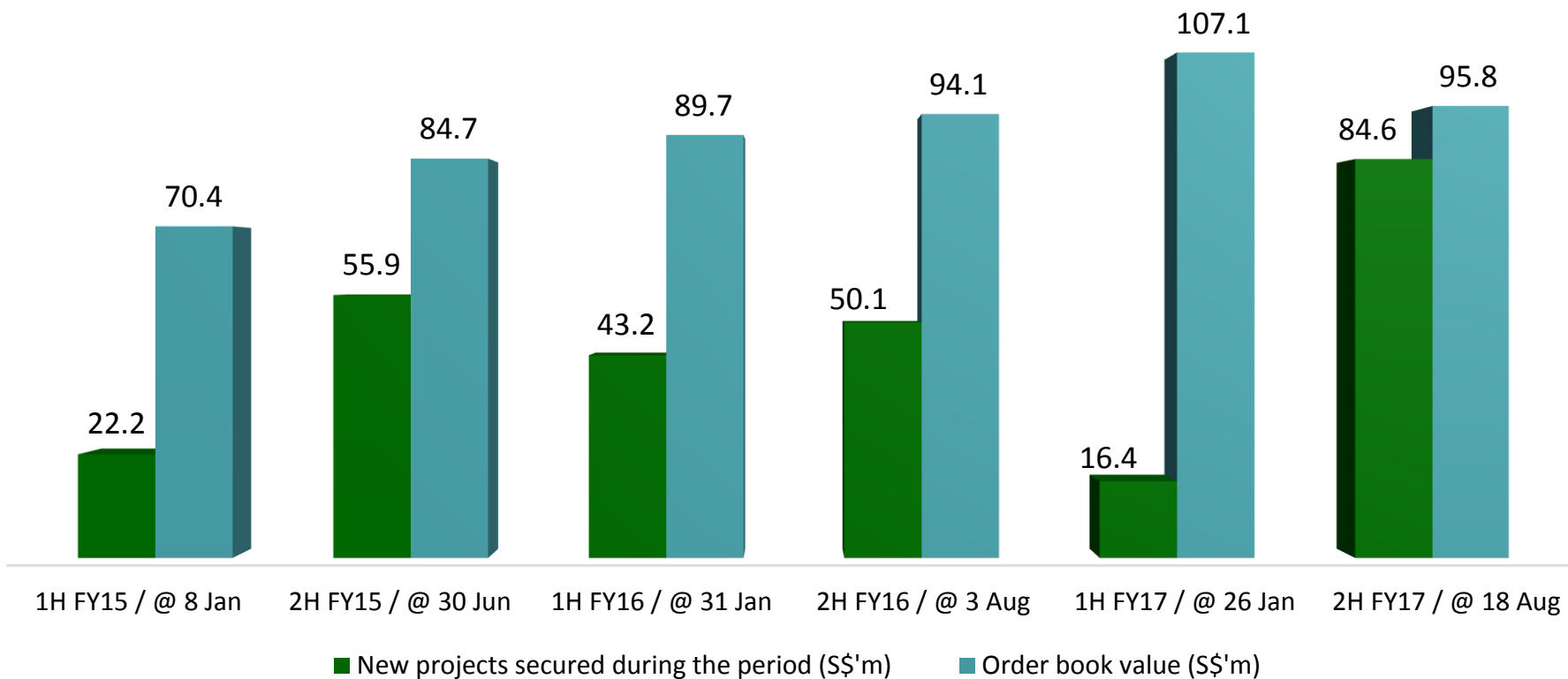
• A&A revenue ↑32.8%



Others revenue ↓13.7%

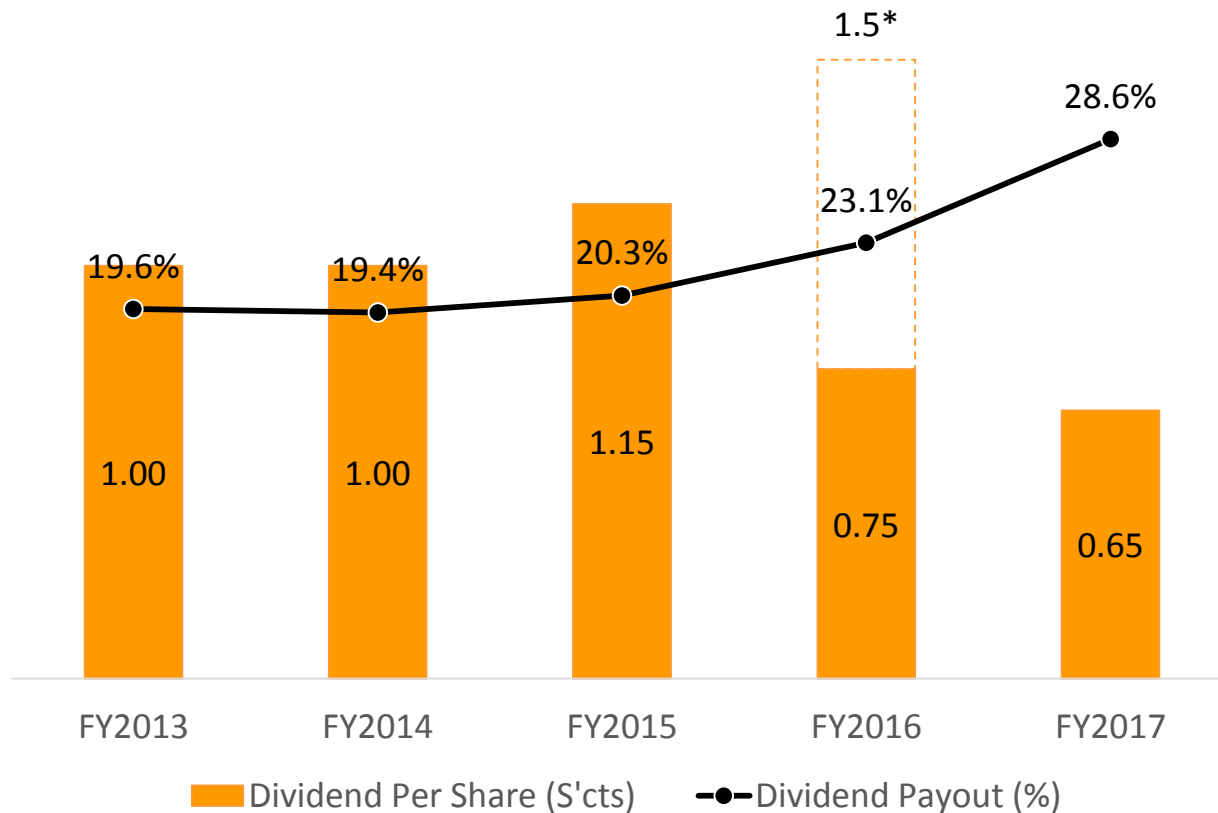


# ORDER BOOK TREND



**Book orders of S\$95.8 million** as at 18 August 2017 to be progressively delivered over the next two years

## 20% DIVIDEND POLICY



\* Not taking its 1-for-1 bonus share issue on 23 February 2016 into consideration, ISOTeam's dividend per share would have been 1.5 Singapore cents





ISO TEAM

# BUSINESS PLANS



# OPPORTUNITIES FOR US



- Public sector investments in infrastructure
- Residential projects: construction of mega-developments - “cities”
- Easing of restrictions on domestic and foreign investments wef April 2017: to drive more FDI into construction projects in the coming years<sup>(1)</sup>



- China’s Belt and Road Initiative (BRI): Large-scale investments will continue to pour into Malaysia<sup>(2)</sup>
- Government plans to roll out more PPA1M projects to build another 100,000 units in the next two years
- Malaysia aims to have 11% of its energy sources from renewable sources by 2020<sup>(3)</sup>



- Repainting of external building walls: Every 5 years
- HDB: HIP + Estate renewal
- NEA: Hawker Centre Upgrading Programme
- Government’s push toward Singapore as a Smart Nation



- Green Mark: 80% of buildings by 2030
- SolarNova: 350 MWp of solar power in Singapore by 2020
- Hydrogen fuel cells potentially used in more HDB blocks in Singapore
- Bike sharing business, an environmentally sustainable green service

(1) PR Newswire, “Construction in Myanmar’s Key Trends and Opportunities to 2021” on 24 July 2017

(2) Property Guru.com, “Malaysia to Overtake S’pore Economy by 2030” on 16 August 2017

(3) Malaysiadigest.com “Clean, green and profitable, A look at Msia’s switch to renewable energy”, 24 July 2017



# SG BIKE: SINGAPORE'S NEXT GEN BIKE SHARING



**SG Bike is Singapore's first locally established bike sharing company aimed to curb illegal bicycle parking and promote gracious cycling.**

## **Who is SG Bike?**

- 51% owned by ISOTeam
- 49% owned by individuals with extensive experience in the bike rental industry and a database of over 300,000 customers

## **Why bike sharing?**

- Gels with our mission to provide a complete suite of solutions to the built environment
- Supports the Singapore government's push towards a car-lite society



# WHAT SETS SG BIKE APART FROM OTHER OPERATORS



**GEOSTATION**

Helps curb issue of illegally parked bicycle



**CONTACTLESS CARD**

An alternative and convenient way to unlock bicycles



**SIM CARD LOCK**

Two way communication allowing greater control



**ALARM**

Deterrence against vandalism acts



**GPS**

Data analysis allows for greater bicycle management



**LIGHTWEIGHT**

At 15kg\*, this bicycle is suitable for all ages to ride



**SMART LIGHT**

Smart technology that helps to ensure safety of riders



**FOAM TIRE**

A strong yet light tire that is comfortable to ride



**CHAIN TECHNOLOGY**

Reduces chains coming off, lowering maintenance



**QUALITY PRODUCT**

Overall underwent many test to ensure quality



- Our close relationships with Town Councils, HDB, Nparks and LTA
- Our existing pool of workers and vehicle fleet to mobilise

**SUPPORTED BY**

# THE ROAD AHEAD FOR SG BIKE

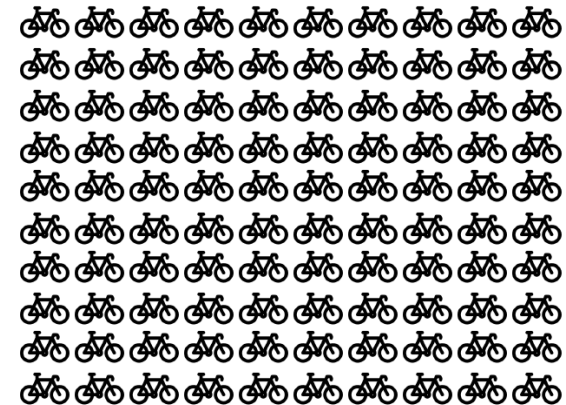
- Initial fleet of 1,000 bikes
- Launched by Mr Khaw Boon Wan at Panjang Town Council



- To launch in Sembawang and Nee Soon Town Councils



- Target user base of 50,000



AUGUST

END

MID

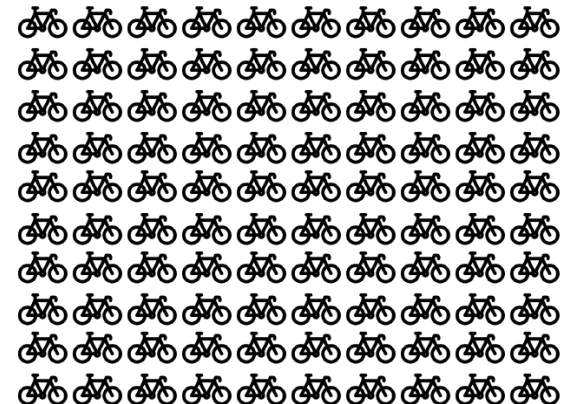
2017

2017

2018

- 1,500 geostations installed at common approved bicycle parking areas: → void decks → MRT stations → LRT stations → bus stops → town centres → shopping malls

- Reach out to other cycling hotspots in Singapore → Jurong Lake → East Coast Park → Pasir Ris Park



## CORE BUSINESS

Expand R&R, A&A and C&P services into other untapped sectors in Singapore

Achieve better market penetration in Myanmar and Malaysia with strategic partners

Export skillsets / expertise overseas – eg ID works to Myanmar; R&R to Malaysia

## INTEGRATION & CONSOLIDATION

Merge certain BUs – ISO-Seal into Raymond Construction and ICM into ISOTeam C&P

Exit non-profitable businesses

Centralisation of departments / functions after move into new HQ (Account, HR, Admin, Resources, Workshop, Safety)

## UNLOCK SYNERGIES

Cross-sell across BUs

Offer package deals to customers

B2B partnerships eg ERA, facility managers

## GROW INTO NEW SECTORS

Renewable energy installation

Bike sharing business

Energy management system (planning)

Cleaning services

## OTHER OPPORTUNITIES

M&As and strategic partnerships



## POTENTIAL MARKETS



# CONSOLIDATION AND CENTRALISATION OF OPERATIONS

## ↑ Operational & Cost Efficiencies + ↑ Employee Integration



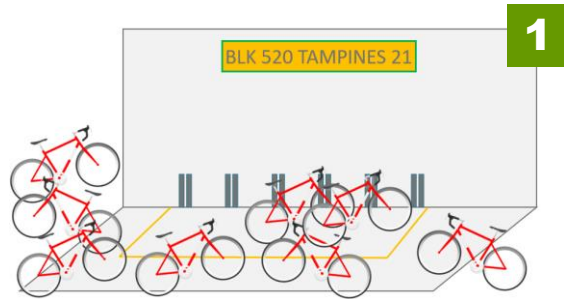
- Completed acquisition of property in April 2017
- Land area: ~3,401 sqm
- Built-in area: ~4,232 sqm  
→ Increasing gross floor area from ~4,232 sqm to ~5,421 sqm
- Extended tenure to 2036: 10 years + 30 years (wef 1 August 1996)
- Target relocation date: November 2017



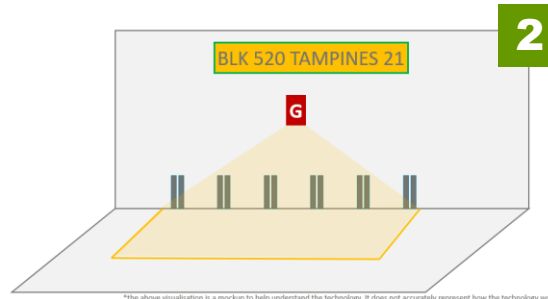
**THANK YOU  
Q&A SESSION**



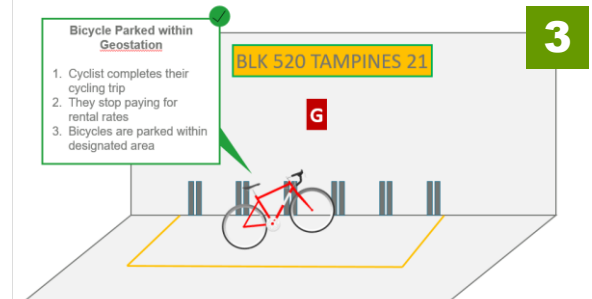
# GEOSTATION TECHNOLOGY



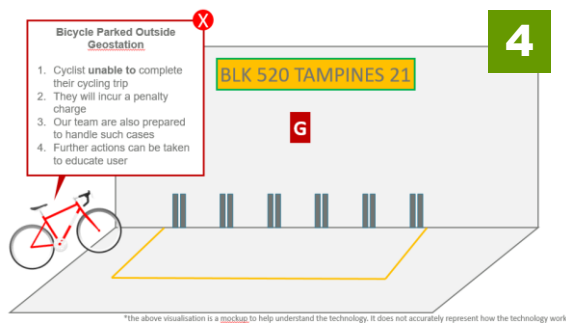
This is the current situation of bike sharing in Singapore. Bikes are parked illegally despite designated parking areas.



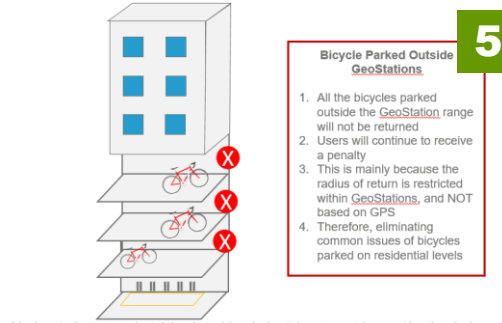
A small physical device, geostations, will only be installed at approved and designated areas by the relevant authorities and owners.



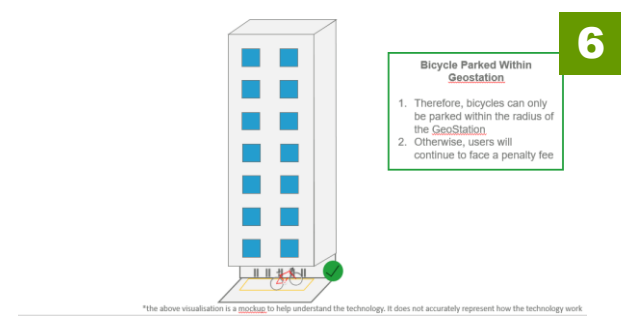
When a SG Bike is parked within the geostation, the user will complete his/her journey. As such, the bicycles are always parked at approved and designated areas.



If a SG Bike is **NOT** parked within the geostation, the user will be charged a penalty fee. The bike will also sound an alarm, and the mobile application will send a notification to remind the user that the bike is not parked legally.



The range of the geostation will not reach residential levels. Users who park on the residential levels will face a penalty charge. SG Bike will also be able to detect bikes parked outside the geostation zone to take necessary actions.



Common issues such as bikes at residential levels, carparks, and grass patches will be reduced. SG Bike will also be able to detect bikes that are not legally parked and take respective actions such as to relocate them to approved areas.