



FOR IMMEDIATE RELEASE

ISOTeam achieves over five-fold increase in net profit to S\$6.6 million in FY2024

- Revenue up 17.9% yoy driven by robust performance of A&A, R&R and C&P segments.
- Gross profit margin back to pre-COVID 19 levels at 15.5% for FY2024.
- Maintains strong order book of S\$193.1 million as at 30 June 2024, with projects to be delivered progressively by 2027.
- Proposes to distribute dividends of 0.08 Singapore cent per share for FY2024.

Financial Highlights for the 6 months and 12 months ended 30 June 2024ⁱ

S\$'m	2HY2024	2HY2023	Change (%)	FY2024	FY2023	Change (%)
Segment revenue:						
- Repairs & Redecoration ("R&R")	24.1	19.1	26.0	50.4	35.6	41.6
- Additions & Alteration ("A&A")	26.4	14.4	83.4	45.1	33.3	35.5
- Coating & Painting ("C&P")	9.7	8.0	20.3	17.4	13.1	32.0
- Others ⁱⁱ	7.2	15.0	(51.7)	17.3	28.4	(39.1)
Total revenue	67.4	56.5	19.3	130.2	110.4	17.9
Gross profit	11.8	6.1	95.0	20.2	11.1	82.4
Gross profit margin (%)	17.6	10.8	6.8% pts	15.5	10.1	5.4% pts
Profit attributable to equity holders	5.1	0.4	NM	6.5	1.4	363.1
Earnings per share (cents)ⁱⁱⁱ	0.71	0.07	NM	0.91	0.28	225.0

- i. Figures in this table have been rounded.*
- ii. Includes revenue from home retrofitting business, landscaping works, interior design, leasing, green solutions business, mechanical & electrical engineering works, vector control services and handyman services.*
- iii. Based on 719,181,550 weighted average number of ordinary shares as at 2H2024 and FY2024 and 497,830,000 weighted average number of ordinary shares as at 2H2023 and FY2023.*
- NM denotes "not meaningful".

SINGAPORE, 27 August 2024 – ISOTeam Ltd. ("ISOTeam" or together with its subsidiaries, the "Group"), an established and leading player in Singapore's building maintenance and estate upgrading industry, has made a strong comeback in its latest fiscal year. The Group more than quadrupled its profit attributable to equity holders to S\$6.5 million for the financial year ended 30 June 2024 ("FY2024") from S\$1.4 million in the previous financial year ("FY2023").



This was mainly due to significant improvements in the performance of its R&R, A&A and C&P segments that boosted total revenue to S\$130.2 million in FY2024 from S\$110.4 million in FY2023. Reflecting the strong bottom-line, FY2024 earnings per share rose to 0.91 Singapore cents from 0.28 Singapore cents in FY2023.

On a segmental basis, the R&R segment was the star performer with year-on-year (“yoy”) revenue growth of 41.6% to S\$50.4 million. This was followed by A&A, which rose 35.5% to S\$45.1 million mainly due to a stronger second half performance (“2HY2024”), when the segment recorded an 83.4% jump in revenue to S\$26.4 million from S\$14.4 million in the corresponding period (“2HY2023”). The C&P segment also came in strongly in FY2024 with a 32.0% yoy increase in revenue to S\$17.4 million. Due to the disposal of a subsidiary, revenue from the Others segment declined to S\$17.2 million in FY2024 from S\$28.4 million in FY2023.

Gross profit margin recovered to levels just before the pandemic era mainly due to the steady improvement in margins on projects secured post-COVID 19 as industry prospects turned positive. On a half-year basis, gross profit margin rose 6.8 percentage points yoy to 17.6%, which nearly doubled gross profit to S\$11.8 million in 2HY2023. On a full-year basis, gross profit margin increased 5.4 percentage points to 15.5%, which propelled FY2024 gross profit 82.4% higher yoy to S\$20.2 million.

The Group’s other income rose 24.0% yoy to S\$5.7 million in FY2024 mainly due to a one-off gain on disposal of a subsidiary and fair value gain on other investments. The disposal of subsidiary also led to a 10.0% yoy decline in marketing and distribution expenses to S\$0.7 million mainly due to lower staff costs.

In other expenses, general and administrative expenses rose to S\$13.2 million in FY2024 from S\$11.3 million in FY2023 due to higher staff salaries and bonuses and an increase in professional fees, while the 8.6% uptick in finance costs to S\$2.5 million was due to the utilisation of trade facilities and higher interest incurred on bank borrowings. Other operating expenses increased to S\$0.5 million in FY2024 from S\$0.2 million in FY2023 due to share-based compensation. Impairment loss on receivables and contract assets rose from S\$0.6 million in FY2023 to S\$1.7 million in FY2024 mainly due to the increase in credit risk and changes in market conditions that affected the value of contract assets and receivables.

Commenting on the Group’s performance, **Executive Director and Chief Executive Officer, Mr Anthony Koh (许统发)**, said: *“Our decision to dispose of non-core subsidiaries in FY2023 to focus on our bread and butter A&A and R&R business enabled us to capture the post-pandemic upswing in demand for upgrading and maintenance work, particularly from the public sector. The success of this strategy is clearly reflected in our FY2024 performance. Internally, our goal is to double our market*



share for HDB repainting works to 30.0% by 2027, which we believe is achievable as we continue to reap the benefits from our renewed focus on our core competencies.”

As at 30 June 2024, the Group’s order book remains healthy at S\$193.1 million, which will support its activities until 2027.

Based on the financial performance of FY2024, ISOTeam proposes to pay dividends of 0.08 Singapore cents per share for FY2024, subject to shareholders’ approval at the upcoming Annual General Meeting.

Outlook

The outlook for Singapore’s construction sector is expected to remain positive. According to the latest statistics released by the Ministry of Trade and Industry on 13 August 2024, the sector grew 3.8% yoy in the second quarter of 2024, extending the 4.1% expansion in the previous quarter.¹ Meanwhile, the Building Construction Authority projects construction demand, based on value of contracts awarded, to be between S\$31.0 billion and S\$38.0 billion per year between 2025 and 2028.² Over this period, the public sector is expected to contribute between S\$19.0 billion and S\$23.0 billion of these contracts each year.² While ISOTeam is cautiously optimistic about its business prospects which are consistent with these healthy estimates, it is mindful of rising operational costs and have taken steps to address them.

In July 2024, the Group incorporated ISOTeam BuildTech Pte. Ltd. (“**ISOTeam BuildTech**”), a next-generation building technology arm to drive the expansion of its Artificial Intelligence (“**AI**”)-enabled capabilities. This wholly-owned subsidiary will provide, design and implement autonomous solutions for the built environment by leveraging AI and Robotics. These solutions will be for internal deployment and also offered to external clients to help them develop an effective robotic workforce. The Group’s existing fleet of building façade inspection and façade washing drones is now under ISOTeam BuildTech and so will its indoor painting robots and façade painting drones once these are commercialised.

Mr Koh said: *“The integration of AI and building technology enhances our multi-disciplinary capabilities for estate upgrading and maintenance and positions ISOTeam for the digital era. In the future, our robotic workforce will take care of physically demanding tasks which will free our human workforce to focus on more complex and creative tasks. Not only does this enhance overall workplace safety but it will also give us a more productive combined workforce that is also cost efficient as it reduces our reliance on manual labour.”*

¹ MTI report: [Economic Survey of Singapore second quarter 2024](#)

² BCA press release: [Steady Demand for the Construction Sector Projected for 2024](#)



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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 and eco-conscious player in Singapore's building maintenance and estate upgrading industry with more than 20 years of Repairs & Redecoration (R&R) and Addition & Alteration (A&A) experience. We have successfully undertaken more than 860 refurbishment and upgrading projects for over 7,200 buildings and counting since inception. ISOTeAM also offers specialist Coating & Painting (C&P) services as well as complementary niche services (Others) including specialist waterproofing, commercial interior design and home retrofitting (ID), landscaping, mechanical and electrical works (M&E), vector control services and handyman services. 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.

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.

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