

## ISOTeam (ISO SP)

# Election play: Drone painting game-changer

### Initiate with a BUY and a TP of SGD0.09

ISOTeam, a major local painter (30% market share) for government housing projects (HDB), bounced back to profitability in FY24 as older projects with lower margins have all been executed. We believe FY25E will be an inflection point for its profitability and the launch of its AI drone-painting solution on an HDB site in Apr'25 and will be rolled out at more estates if successful. This should enable it to leapfrog competitors with 30-40% lower costs, aligning with the government's push to reduce manpower. We expect high growth ahead and initiate coverage with BUY and a TP of SGD0.09, based on a blended 8x FY25/26E P/E.

### AI drone painting - a game-changer

ISOTeam's AI drone painting solution could potentially change the entire landscape. ISOTeam is currently the only contractor with this solution locally, which could reduce costs by 30-40%, putting it in a much better position in terms of technology, lower labour use and costs as the Singapore government has long-coveted the application of technology to reduce manpower. ISOTeam owns the patents and the paints, which have been customised by its shareholder Nippon Paint (4612 TK, CP JPY929, not rated) to suit the density and concentration of drone spray painting.

### Profitability and margins to surge

With an orderbook of SGD202.4m as of 6 Sept 2024 and lower margin projects cleared, we expect ISOTeam's margins and profitability to surge in FY25 (+230% YoY). Its drone painting solution could boost margins to around 30% from 20% and help secure more contracts. With a general election in Singapore slated for this year, more government projects will likely come up for grabs, putting ISOTeam in a prime position to benefit.

### Maintenance player in ever-growing HDB market

ISOTeam will not just be a contractor, but a technology leader in drone painting application as well as a maintenance player in an ever growing HDB market. We believe the market will re-rate the company if the testing in Apr'25 is successful. There will also be a 30% dividend payout policy, which represents 4.7% yield for FY25E. We believe the key executives will buy back shares due to their positive outlook for ISOTeam. Risks to our call include labour and raw material costs increase as well as execution issues on its drone project.

FYE Jun (SGD m)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	110	130	146	164	184
EBITDA	(5)	4	7	8	10
Core net profit	1	2	7	9	11
Core EPS (cts)	0.2	0.3	1.0	1.3	1.5
Core EPS growth (%)	nm	32.6	229.7	26.2	16.3
Net DPS (cts)	0.0	0.1	0.3	0.4	0.4
Core P/E (x)	16.8	20.8	6.5	5.1	4.4
P/BV (x)	0.7	1.0	0.9	0.8	0.7
Net dividend yield (%)	0.0	1.3	4.6	5.8	6.8
ROAE (%)	4.6	19.2	15.7	16.8	16.5
ROAA (%)	1.2	2.0	6.4	7.4	7.7
EV/EBITDA (x)	nm	8.6	5.0	3.4	2.4
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	na	na	na
MIBG vs. Consensus (%)	-	-	na	na	na

Jarick Seet  
jarick.seet@maybank.com  
(65) 6321 5848

# BUY

Share Price SGD 0.065  
12m Price Target SGD 0.090 (+38%)

### Company Description

Isoteam is an established local maintenance and estate upgrading player with over 20 years of experience.

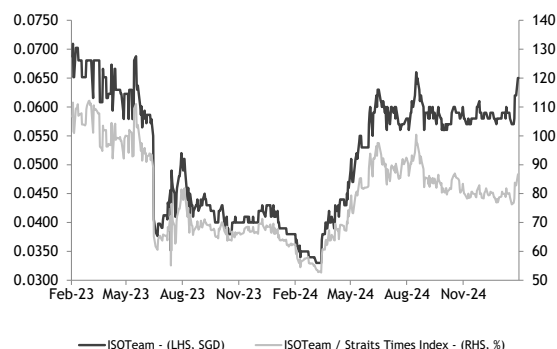
### Statistics

52w high/low (SGD)	0.07/0.03
3m avg turnover (USDm)	0.1
Free float (%)	91.1
Issued shares (m)	708
Market capitalisation	SGD46.0M USD34M

### Major shareholders:

Taisei Oncho Co., Ltd.	8.9%
------------------------	------

### Price Performance



	-1M	-3M	-12M
Absolute (%)	12	10	71
Relative to index (%)	10	6	39

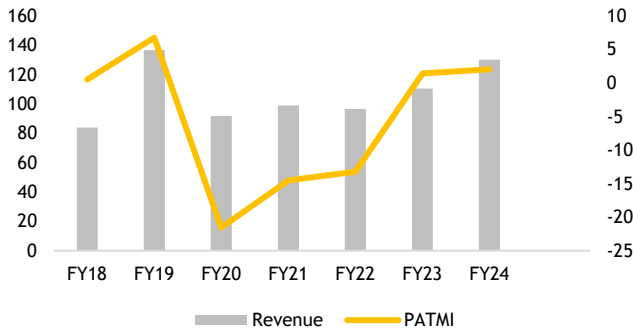
Source: FactSet

ESG@MAYBANK IGB  
Tear Sheet Insert

## Value Proposition

- With low-margin projects secured before and during Covid-19 fully executed, management expects a turnaround.
- One of the market leaders in painting work for government housing with 30% market share for government housing projects (HDB).
- Gross and net margins trending upwards.
- Orderbook reached a 10-year high of SGD202.4m.
- Dividend policy is also in place for FY24 and FY25.
- Drone technology used in painting and inspection will reduce labour costs.

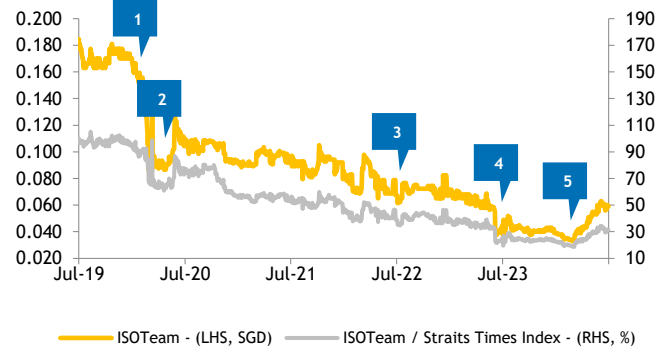
### Revenue and PATMI trend (SGDm)



Source: Company

## Price Drivers

### Historical share price trend



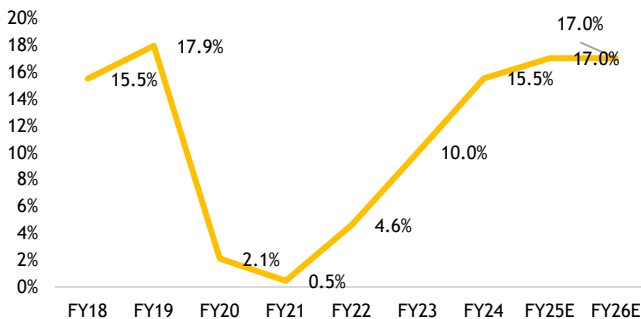
Source: Company, Maybank IBG Research

1. Covid-19 hurt performance and project execution.
2. Circuit breaker lifted and work restarted.
3. Weak results leading to share price decline.
4. Rights issue announced in Jun 2023 at SGD0.03/sh.
5. Uplift in results and dividend policy announced.

## Financial Metrics

- ISOTeam’s performance appears to have turned around in FY23 and management sees a stronger FY25 ahead.
- Balance sheet is strengthened due to a rights issue undertaken in 2024 and increased profitability.
- Orderbook has also strengthened and quality of the orderbook in terms of margins appears to have improved.
- Positive operating cashflow.

### Gross margins (%)



Source: Company

## Swing Factors

### Upside

- Improving margins and higher revenue due to more projects won.
- Drone technology advancement could benefit the company in terms of labour cost savings.
- Turnaround play.
- Potential beneficiary of Singapore election in 2025.

### Downside

- Margins may be squeezed if labour or raw material cost rises.
- Subjected to regulatory changes on foreign labour quota.
- Competitive tender process.

# ESG@MAYBANK IBG

jarick.seet@maybank.com

Risk Rating & Score <sup>1</sup>	na
Score Momentum <sup>2</sup>	na
Last Updated	na
Controversy Score <sup>3</sup>	na

## Business Model & Industry Issues

- ISOTeam faces significant ESG risks including stricter global regulations, particularly in Europe, demanding comprehensive emissions reporting and robust data management. To address these, ISOTeam should adopt double materiality assessments, which evaluate both financial and impact materiality, can improve transparency and align ISOTeam with best practices seen in leading jurisdictions like the EU.
- ISOTeam’s ESG performance is competitive but could improve in transparency and stakeholder engagement to match industry leaders. The company is leveraging technological advancements and strategic divestments to enhance its core operations, aligning with the construction sector’s trend of adopting stringent regulations and comprehensive reporting practices like those mandated by the EU Corporate Sustainability Reporting Directive (CSRD).
- ISOTeam is effectively managing its ESG risks through technological advancements, increased safety protocols and adherence to the EU’s CSRD. However, to improve market perception and valuation, ISOTeam should enhance transparency and reporting in their ESG data, decrease Scope 2 emissions and energy consumption, and to comply with government regulations. These efforts will position ISOTeam as a responsible and resilient company in the eyes of investors and stakeholders.

### Material E issues

- In response, the Singapore Government introduced the Singapore Green Plan 2030, mandating all companies to comply. ISOTeam fully supports this initiative. In 2021, they collaborated with the Sunseap Group to install solar panels for their floating solar farm in the Straits of Johor.
- ISOTeam has faced environmental issues such as pollution and waste management from its construction activities, as well as high energy consumption leading to significant carbon issues. To address this, ISOTeam’s headquarters features 386 solar panels that generated approximately 157,365 kWh of energy in FY2022, powering 77% of its electricity needs. It also partnered with Sunseap to install solar systems on 183 HDB blocks and completed a 5 MW floating solar farm in the straits of Johor. These efforts align with Singapore’s goal to reduce energy consumption in HDB towns by 15% by 2030.)

### Key G metrics and issues

- In 2020, ISOTeam was flagged by SGX RegCo. In December 2020, SGX RegCo issued a “Trade With Caution” alert due to unusual trading activities in ISOTeam’s shares. A small group of interconnected accounts was responsible for over 71% of traded volume and 83% of buy trades during a share price surge. Additionally, these accounts engaged in cross trades on most trading days within the review period, raising concerns about market manipulation and governance practices.
- ISOTeam complied and worked closely with SGX RegCo and enhanced their internal monitoring and compliance measures. They engaged RHT Capital Pte. Ltd. To review their practices and ensure adherence to regulatory requirements.)

### Material S issues

- ISOTeam ensures fair treatment and safety for workers, uphold ethical sourcing standards, and provide healthcare benefits, with a 50% increase in dental treatment subsidy per staff; additional inpatient hospitalisation and surgery benefits; and one day leave increment for management and executive grade staff for every one year of service instead of two years and continuous learning opportunities for employees.
- ISOTeam could leverage social bonds as a cost-effective financing method to fund socially beneficial projects, while attracting investors who are interested in supporting social impact. With the issuance of social bonds, ISOTeam can expect a growth in reputation as a socially responsible company. BRIDGE Housing issued \$100 million social bond to develop affordable housing in high-cost areas in the US, helping low-income and minority families.)

<sup>1</sup>**Risk Rating & Score** - derived by Sustainalytics and assesses the company’s exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company’s enterprise value, respectively, from ESG-driven financial impacts. <sup>2</sup>**Score Momentum** - indicates changes to the company’s score since the last update - a **negative** integer indicates a company’s improving risk score; a **positive** integer indicates a deterioration. <sup>3</sup>**Controversy Score** - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

Quantitative Parameters (Score: 47)						
	Particulars	Unit	2021	2022	2023	SOIL SP 2023
E	Scope 1 GHG emissions	tCO2e/million hour	NA	1,311	1,257	3,288
	Scope 2 GHG emissions	tCO2e/million hour	NA	19	81	1,567
	<b>Total</b>	<b>tCO2e</b>	<b>0</b>	<b>1,330</b>	<b>1,338</b>	<b>4,855</b>
	Scope 3 GHG emissions	tCO2e	NA	NA	NA	NA
	<b>Total</b>	<b>tCO2e</b>	<b>0</b>	<b>1,330</b>	<b>1,338</b>	<b>4,855</b>
	GHG intensity (Scope 1 and 2)	tCO2e/million hour	NA	13.78	12.12	20.000
	Energy consumption	GJ/million h	NA	7.61	12.11	239.06
	Water consumption	m3	NA	25,762.00	33,006.00	244,820.00
	Total Diesel consumption	litres	229,066	381,813	NA	1,297,339
	S	% of women in workforce	%	10.0%	26.0%	30.0%
Employee turnover		Number	91	78	18	484
cases of corruption		days	0	0	0	0
Average training hours for employees		Hours	9.66	18	692	10.3
Accident frequency rate		%	1.69	4.88	4.45	1.64
Accident severity rate		%	11.8	128.02	26.65	NA
G	MD/CEO salary as % of reported net profit	%	-3.20%	-4.93%	48.58%	2.95%
	Board salary as % of reported net profit	%	-14.58%	-20.22%	194.84%	11.31%
	Independent directors on the Board	%	38%	43%	43%	57%
	Female directors on the Board	%	0%	0%	0%	14%

Qualitative Parameters (Score: 50)	
a) is there an ESG policy in place and whether there is a standalone ESG committee or is it part of a risk committee?	Yes
b) is the senior management salary linked to fulfilling ESG targets?	No
c) Does the company follow the task force of climate related disclosures (TCFD) framework for ESG reporting?	Yes
e) Does the company have a mechanism to capture Scope 3 emissions - which parameters are captured?	No
f) What are the 2-3 key carbon mitigation/water/waste management strategies adopted by the company?	To reduce carbon emissions and non-renewable energy consumption, more solar panels were installed, which powers 41% of ISOTeam's consumption, and produces 0 carbon emissions. project waste is sorted into segregated and disposed accordingly - hazardous waste and harmful solvents such as waste paint and lubricants are disposed by specialist waste management companies while non-hazardous waste are disposed in skid tanks.
g) Does carbon offset form part of the net zero/carbon neutrality target of the company?	No

Target (Score: 67)			
Particulars		Target	Achieved
Aim to reduce carbon footprint		1	1
Zero confirmed incidents of corruption		0	0
Zero cases of non-compliance with all applicable laws and regulations		0	0
Carbon neutrality/net zero		100%	0%
<b>Impact</b>			
NA			
<b>Overall Score: 53</b>			
As per our ESG matrix, ISOTeam (ISO SP) has an overall score of 53			

ESG score	Weights	Scores	Final Score
Quantitative	50%	47	24
Qualitative	25%	50	13
Target	25%	67	17
<b>Total</b>			<b>53</b>

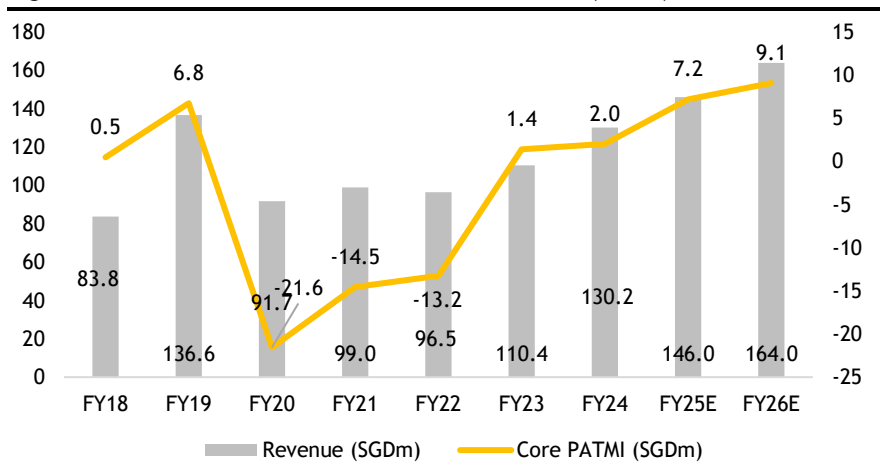
As per our ESG assessment, ISOTeam has an established framework, internal policies, and tangible mid/long-term targets but needs to make headway in improving its quantitative "E" metrics YoY. ISOTeam's overall ESG score is 53, which makes its ESG rating above average in our view (average ESG rating = 50; refer to Appendix I for our ESG Assessment Scoring).

# 1. Investment thesis

## 1.1 Inflection point of profitability and margins

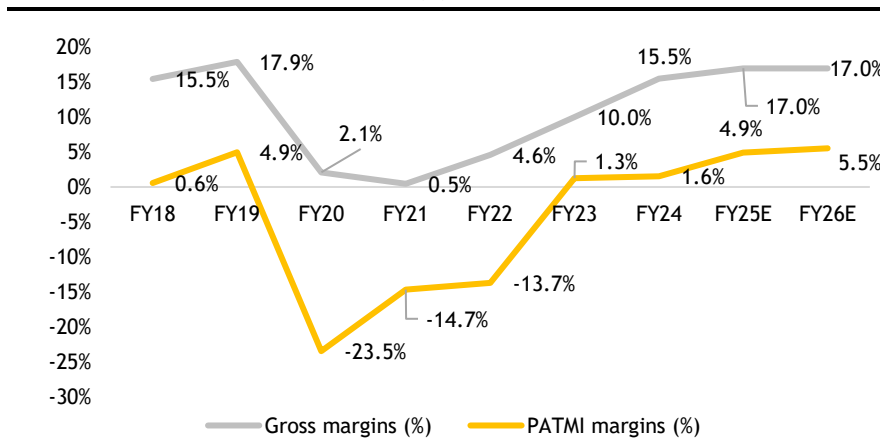
ISOTeam previously suffered from loss-making projects due to Covid and the surge in labour and raw material costs. We understand the majority of these projects were already executed in FY24. In addition, its remaining orderbook of SGD202.4m already reflects the revised quotations with higher margins and we expect FY25E to see a huge recovery in margins, which should boost profits significantly by more than 200%. As 2025 is also the election year for Singapore, we should typically see a rise in government project tenders, especially for residential estates. We expect ISOTeam to be a key beneficiary of this and win more project tenders as it's already a major painting contractor of HDB estates.

**Fig 1: ISOTeam - revenue and core PATMI forecasts (SGDm)**



Source: Company, Maybank IBG Research

**Fig 2: ISOTeam - gross & net margin (%) forecasts**



Source: Company, Maybank IBG Research

## 1.2 Drone painting - a potential game-changer

Since 2021, ISOTeam has been working with its drone partner Acclivis Technologies and Solutions, which offers AI, video analytics and automation-related services, and Nippon Paint to develop autonomous drones to paint building facades and structures. We believe this technology is finally ready and ISOTeam will be testing it out in Apr'25 at build to order projects at Sungei Tengah/Toa Payoh. If successful, ISOTeam will implement these solutions in other projects, which can help reduce labour and equipment costs by around 30-40%. This would also put it in a dominant

position over its competitors as we believe future government tenders might require the use of drones or less labour for painting as the government is encouraging the application of technology to replace manpower. We understand management has already carried out multiple tests in China as well as at other private facilities and it's highly confident of deploying these solutions in Singapore. We expect the drone solutions to be fully deployed from FY25 onwards.

**Fig 3: ISOTeam testing drone painting**



Source: Company

**Fig 4: Drone painting by ISOTeam**



Source: Company

**Fig 5: ISOTeam's drone painter**



Source: Company

**Fig 6: ISOTeam's drone painter in operation**

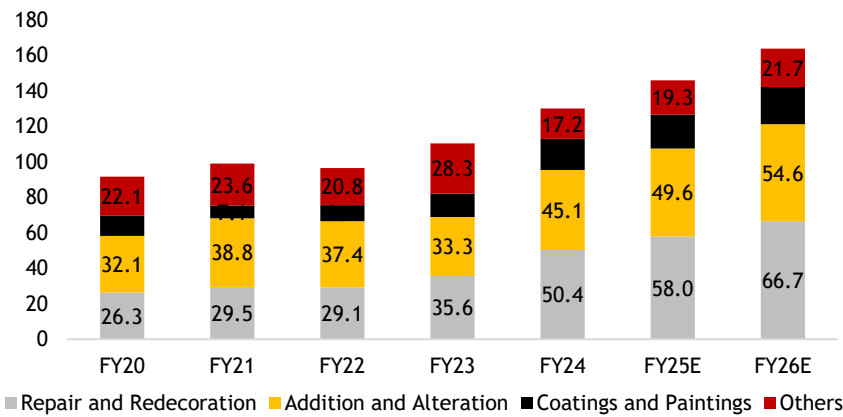


Source: Company

### 1.3 Strong demand for construction locally

The Building and Construction Authority (BCA) projects the total construction demand, ie, the value of construction contracts to be awarded, to range between SGD47b and SGD53b in 2025. Demand in 2025 is projected to range between SGD35b and SGD39b, which is between 0.3% to 11.7% higher than pre-Covid levels. The strong demand is underpinned by the expected award of contracts for several large-scale developments, such as Changi Airport Terminal 5 (T5) and expansion of the Marina Bay Sands Integrated Resort, alongside public housing development and upgrading works. Other contributors include high-specification industrial buildings, educational developments, healthcare facilities, mechanical and engineering contracts for the Thomson-East Coast Line Extension and Cross Island Line, and infrastructure works for the Woodlands Checkpoint extension and the Tuas Port. Over the medium term, BCA expects total construction demand to reach an average of between SGD39b and SGD46b per year from 2026 to 2029.

Fig 7: ISOTeam’s revenue mix



Source: Company, Maybank IBG Research

### 1.4 Election year - more projects can be expected

The general election in Singapore is expected to be held before Nov’25 and we expect more public upgrading projects, especially for residential developments, to be put up for tender. This was generally the trend before previous elections and we believe ISOTeam will be a key beneficiary of this as it already has a sizeable share of this market segment.

### 1.5 Recurring revenue base in an ever growing HDB market

ISOTeam is more of a maintenance player for the HDB space which is different from a one-off project construction player. Its business model is more of a recurring nature as HDB typically repaints does minor upgrades every 4-5 years. In addition, the HDB pool is ever growing and increasing which actually bodes well for ISOTeam.

Fig 8: HDB Building Statistics

#### Building Statistics

1960 - 1990			
	Total	Dwelling Units	Commercial Developments
1960 - 1965	54,430	53,777	653
1966 - 1970	66,239	63,448	2,791
1971 - 1975	113,819	110,362	3,457
1976 - 1980	137,670	130,981	6,689
1981 - 1985	200,377	189,299	11,078*
1986 - 1990	121,400	119,708	1,692

1991 - 2023			
	Total	Dwelling Units	Commercial Developments
1991 - 1995	99,557	98,994	563*
1996 - 2000	158,621	157,919	702
2001 - 2005	55,515	55,135	380
2006 - 2010	23,653	23,519**	134
2011 - 2015	97,235	96,991**	244
2016 - 2020	98,989	98,219***	770
2021 - 2023	55,475	55,213	262

Source: HDB

Fig 9: Repainting works

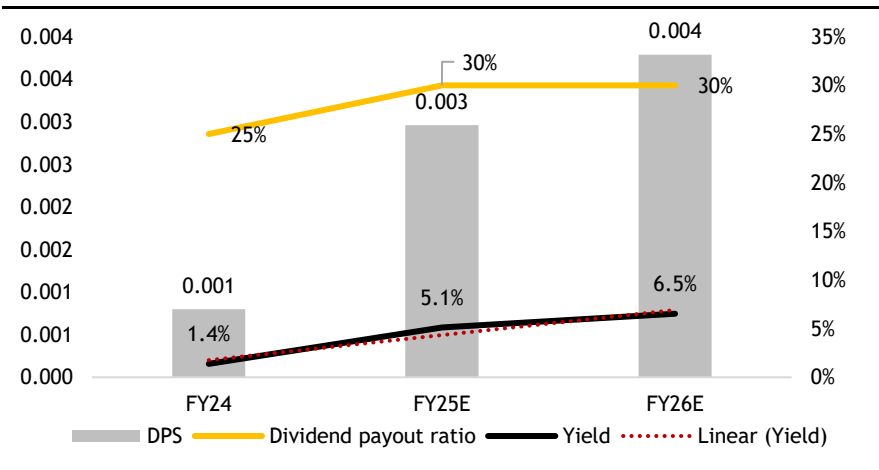


Source: Maybank IBG Research

### 1.6 Attractive 5.1% yield with 30% payout for FY25E

ISOTeam raised its dividend payout policy from 20% to 25% in FY24 and to 30% of FY25E core PATMI. With increasing profitability, we believe maintaining the 30% payout will not be an issue and shareholders will be entitled to more dividends as profitability increases over the next few years. As it stands, the yield is an attractive 5.2% for FY25E.

Fig 10: ISOTeam dividend forecasts



Source: Company, Maybank IBG Research



## 2. Valuation

### 2.1 Initiate coverage with BUY and TP of SGD0.09

We initiate coverage of ISOTeam with BUY and TP of SGD0.09, based on 8x blended FY25/26E P/E. This represents a 29% discount to local listed peers due to its smaller market cap and revenue base. We think the current share price represents an attractive entry level (43% upside potential) given the strong demand for R&R (repair and redecoration) and A&A (addition and alteration) services.

Key re-rating catalysts include: 1) FY25E results; 2) higher margins and profitability; 3) more project wins due to the elections; 4) successful drone solution testing and rollout; and 5) attractive yield of >5%.

Fig 11: Peer comparison

Ticker	Name	Mkt Cap (USD)	ROE (%)	Dividend Yield (%)	P/E	EV / EBITDA Adj
Median	Median	72.6	12.9	5.1	5.8	4.3
ISO SP Equity	ISOTEAM LTD	31.4	19.0	1.3	6.2	5.4
OKP SP Equity	OKP HOLDINGS LTD	82.9	12.9	1.9	2.0	1.7
SOIL SP Equity	SOILBUILD CONSTRUCTION GROUP	98.7	29.4	1.3	NA	6.5
KSHH SP Equity	KSH HOLDINGS LTD	90.2	-8.3	4.4	NA	
KOH SP Equity	KOH BROTHERS GROUP LTD	42.7	-5.0	NA	NA	60.7
LCH SP Equity	LUM CHANG HOLDINGS LTD	81.7	4.5	5.1	15.1	5.5
HLSH SP Equity	HOCK LIAN SENG HOLDINGS LTD	151.5		3.8	5.4	0.7
KHHL SP Equity	KEONG HONG HOLDINGS LTD	16.2	1.8	NA	20.2	
KWAN SP Equity	KING WAN CORP LTD	17.0	17.8	NA	2.0	
LKH SP Equity	LOW KENG HUAT SINGAPORE LTD	172.1	1.0	4.8	38.4	10.5
LEY SP Equity	LEY CHOON GROUP HOLDINGS LTD	63.5	21.7	4.7	6.7	4.0
Average			<b>9.8</b>	<b>3.6</b>	<b>11.3</b>	<b>11.0</b>

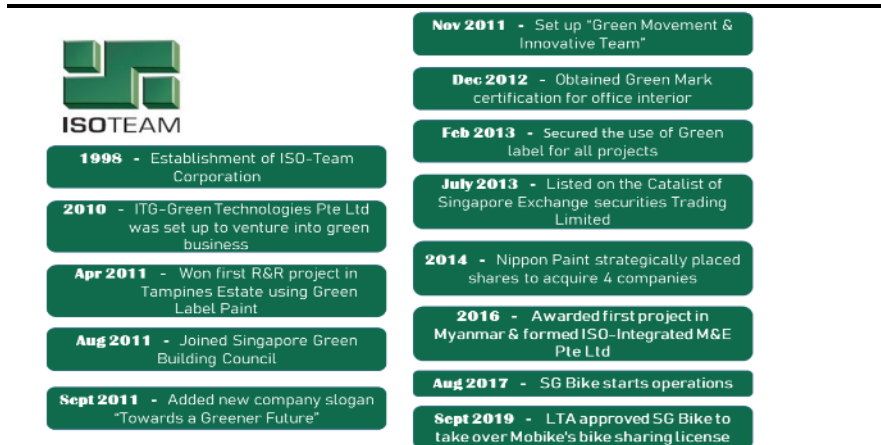
Source: Bloomberg, Maybank IBG Research

### 3. Corporate information

#### 3.1 A leading facilities maintenance specialist

ISOTeam is a leading facilities maintenance specialist in Singapore’s public sector. By consolidating subsidiaries under a unified corporate parent, ISOTeam has sought to improve management efficiency and operational integration through eco-friendly green methods.

Fig 12: ISOTeam’s milestones



Source: Company

#### 3.2 Repair & redecoration (R&R)

ISO-Team Corporation Pte Ltd is a wholly owned subsidiary of the ISOTeam group. Since its establishment in 1998, it has restored over 4,000 HDB blocks and private residential buildings through the use of green products and methods. ISO-Team Corporation Pte Ltd’s works mainly include repainting, repairs & redecoration, waterproofing & reproofing, improvement works, routine maintenance, and term contract works. With the addition of a fleet of drones, ISOTeam can efficiently map out paths and counter the rising cost of foreign labour.

ISOTeam Ltd has been awarded the ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and bizSAFE Level Star.

Fig 13: Repainting of the exterior of Bishan Street 22 by ISOTeam



Source: Company

Fig 14: Tiong Bahru Market R&R project



Source: Company

### 3.3 Addition & alteration (A&A)

ISOTeam has been a key player in Singapore's suburban development for over 20 years, significantly shaping the urban landscape. Specializing as one of the top A&A specialists and preferred contractors, it is committed to providing green solutions that align with environmentally friendly practices, meeting the expectations of its customers. ISOTeam's expertise extends to both public and private buildings, where it contributes to ongoing updates and renovations, aimed at maintaining a youthful, vibrant and dynamic urban environment.

Fig 15: Yishun Ave 6 & 11 A&A



Source: Company

Fig 16: Golden Mile Food Centre A&A



Source: Company

### 3.4 Specialised coating & painting

ISOTeam C&P Pte Ltd, established in 1996, is a wholly owned subsidiary of ISOTeam Ltd. It provides different forms of coating such as new-build painting, eco-friendly coating, architecture and protective coating, fireproof coating, and niche industrial coating. In 2022, ISOTeam C&P participated in a pilot project by the Tampines Town Council where heat-reflective/cool painting was used on some 130 HDB blocks in Tampines to reduce ambient temperatures by up to 2° celcius. Following the success of this project, the company has been tasked by HDB to apply the cool coatings paint on several clusters of HDB blocks in Tampines West and the Central Divisions.

Fig 17: Fireproofing of structural steel - ISOTeam C&P



Source: Company

### 3.5 Architecture & engineering solutions

Since 1984, ISOTeam has been recognized as an award-winning architecture and interior construction company. Leveraging its competency in these areas, and expertise in providing development solutions, contract services and interior construction, ISOTeam has fulfilled contract work across the transportation sector, carpentry works at commercial buildings, and architectural works at Marina Bay Sands, and at offices, restaurants and residential estates.

Fig 18: ISOTeam's carpentry works at 182 Clemenceau Avenue



Source: Company

Fig 19: Interior construction of the Marquee nightclub at Marina Bay Sands by ISOTeam



Source: Company

Fig 20: ISOTeam's construction of the exterior of Lentor MRT Station



Source: Company

### 3.6 Interior decoration and retrofitting

Zara@ISOTeam, a leading Singapore-based interior design company, is a subsidiary of ISOTeam group. It is specialized in residential and commercial interior design, creating comprehensive designs that serve clients' commercial and lifestyle needs. Entrusted with tenders as large as SGD40m, the company is spearheading the government's neighbourhood renewal projects from a holistic perspective to upgrade living conditions in Singapore.

Fig 21: Residential interior design by ISOTeam



Source: Company

Fig 22: Aloha resort design by ISOTeam



Source: Company

### 3.7 Landscaping and horticultural services

ISO-Landscape is a subsidiary of ISOTeam group. Since founded in Apr'17, ISO-Landscape has responded to the government's call for a greater and cleaner country. It has since embarked on a mission to preserve nature and showcase sustainability in the context of human comfort in over 100 projects. Some notable projects include the iconic floating wetlands at Punggol Waterway, rooftop gardens and plant maintenance. With accreditations such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and bizSAFE Level Star, ISO-Landscape has strived to achieve workplace safety and environmental consciousness.

Fig 23: Man-made floating wetlands at Punggol Waterway installed by ISO-Landscape



Source: Company

Fig 24: Rooftop garden by ISO-Landscape



Source: Company

**Fig 25: Plant maintenance by ISO-Landscape**



Source: Company

### 3.8 Others

Other services by ISOTeam include reroofing and waterproofing, handyman services, and home painting services. To enhance cost competitiveness, ISOTeam manufactures its own precast components for secondary roofing systems, and is one of the first companies in Singapore to offer green roofing solutions. ISOTeam Homecare is a fully-owned subsidiary of ISOTeam Limited that is involved in R&R works, such as electrical works, plumbing and more, It has been involved in over 5,000 buildings. Furthermore, ISOTeam also offers quality home painting services. This service caters more to private homes.

**Fig 26: Green Label waterproofing membrane at NUS by ISOTeam**



Source: Company

**Fig 27: ISOTeam Homecare offers electrical work services too**



Source: Company

**Fig 28: ISOTeam offers painting service for private homes too**



Source: Company

## 4. Risks

### Supply chain disruptions

As a result of the Russia-Ukraine war and China's zero Covid-19 policy, raw material costs were high in FY22 due to supply chain disruptions. For instance, steel prices increased by approximately 50%. Ultimately, profit margins decreased and expenditure increased.

### Labour shortages and costs

ISOTeam's projects are labour intensive, which means rising inflation would likely lead to higher labour costs and affect its margins. In addition, stricter immigration policies have exacerbated labour shortages, and increased labour costs. In 2022, the construction sector faced a 12% YoY increase in labour costs.

### Pandemic

During Covid, Singapore's construction sector contracted 36% in 2Q20, as reported by the Ministry of Trade and Industry. Border controls remained highly restrictive during the pandemic, resulting in an inability to replace foreign workers. Additionally, price hikes for raw materials increased, and hiring costs rose, resulting in the ISOTeam suffering a loss of SGD14.5m. This significant downturn underscored the sector's vulnerability to economic shocks.

### Regulatory changes

All companies in Singapore are subject to government regulations. In 2021, the Singapore government introduced the Singapore Green Plan 2030, which mandates more stringent environmental standards and regulations for buildings. Compliance with these new regulations increases project costs as green materials are harder and more expensive to make. According to the World Green Building Council, green buildings can add up to 20% to initial construction costs.

### Environmental risk

According to a study, construction projects in Singapore face an average delay of 10-20% due to weather-related disruptions, with climate change expected to exacerbate these issues. The cost of implementing additional measures to counteract these risks can also increase project expenses by up to 15%.

## 5. Key Management

**Anthony Koh Thong Huat**  
Executive Director & CEO

One of the co-founders of the Group, Mr Koh has over 32 years of experience in the building refurbishment and estate upgrading industry. He sets and implements the Group's expansion plans and overall corporate and strategic development, as well as oversees key functions such as marketing and tendering strategies, budget and cost controls, and resource planning and allocation. Before he co-founded the Group in 1998, Mr Koh was a director of ISO-Build Corporation Pte Ltd where he managed its projects and contracts and controlled the budget and costs. He worked at D&C Builders Pte Ltd from 1989 to 1994 where he moved up the ranks from a site supervisor, to project coordinator and subsequently to project manager. Prior to that, he was the site supervisor for Hongplast General Contractor Pte Ltd for a year. Mr Koh obtained a Diploma in Building from the Singapore Polytechnic in 1988 and a Diploma in Marketing Management from Ngee Ann Polytechnic in 1994.



**Anders Teoh Kok Ann**  
Chief operating Officer

Mr Teoh was appointed COO of ISOTeam in Jan 2021 and is responsible for its daily operations. In 2002, he joined the Group's specialized coating and painting subsidiary, ISOTeam C&P. He has over two decades of experience in the R&R industry and was Managing Director of Goodwood Development Group Pty Ltd for two years prior to joining the Group. From 2002 to 2014, Mr Teoh established specialist painting and coatings firm Accom Pte Ltd ("Accom") and was its Executive Director. When Accom was acquired by ISOTeam in 2014 and subsequently renamed ISOTeam C&P, he was its Managing Director until 2019 where he spearheaded its numerous projects. These included R&R work for HDB blocks for the various Town Councils; public buildings such as churches, schools, community centres and libraries; MCST of commercial buildings, condominiums, industrial properties; as well as hotels and private residential properties. Mr Teoh holds a Bachelor of Building (Honours) from the University of South Australia and a Diploma in Building Management (with Merit) from Ngee Ann Polytechnic.

**Chan Chung Khang**  
General Manager

Mr Chan, who joined the Group in 2002 as a Project Supervisor, has been the Group's General Manager since 2012. He is in charge of business expansion and diversification; planning and policy updates; and the management and supervision of the Group's corporate business development plans. He oversees corporate affairs and investor relations and is also responsible for the application and management of the Group's government grants. Mr Chan has spearheaded the Group's renewable energy installation businesses and related activities since 2016 and was appointed Managing Director of ISOTeam Renewable Solutions in 2021. He graduated from Singapore Polytechnic in 1999 with a Diploma in Building and Property Management and from Royal Melbourne Institute of Technology in 2008 with a Bachelor of Business (Economics and Finance) with Distinction.





FYE 30 Jun	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Key Metrics</b>					
P/E (reported) (x)	29.6	4.5	6.5	5.1	4.4
Core P/E (x)	16.8	20.8	6.5	5.1	4.4
P/BV (x)	0.7	1.0	0.9	0.8	0.7
P/NTA (x)	0.2	0.4	0.4	0.4	0.3
Net dividend yield (%)	0.0	1.3	4.6	5.8	6.8
FCF yield (%)	nm	12.2	10.8	15.4	18.2
EV/EBITDA (x)	nm	8.6	5.0	3.4	2.4
EV/EBIT (x)	nm	4.7	3.8	2.8	2.0
<b>INCOME STATEMENT (SGD m)</b>					
Revenue	110.4	130.2	146.0	164.0	184.2
EBITDA	(4.9)	3.8	6.6	8.4	9.8
Depreciation	3.4	3.1	2.1	2.0	1.9
Amortisation	0.3	0.1	0.0	0.0	0.0
EBIT	(1.3)	7.0	8.7	10.4	11.6
Net interest income / (exp)	(2.3)	(2.5)	(2.5)	(2.5)	(2.5)
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	(0.6)	2.8	0.0	0.0	0.0
Other pretax income	4.6	0.0	0.0	0.0	0.0
Pretax profit	0.5	7.3	6.2	7.9	9.1
Income tax	0.7	(0.7)	1.1	1.3	1.6
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	1.1	6.6	7.3	9.2	10.7
Core net profit	1.1	2.1	7.3	9.2	10.7
<b>BALANCE SHEET (SGD m)</b>					
Cash & Short Term Investments	6.8	10.9	13.9	18.4	23.9
Accounts receivable	65.9	70.1	73.5	77.3	81.7
Inventory	0.2	0.0	0.3	0.3	0.3
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	21.5	20.0	19.1	18.1	17.3
Intangible assets	0.2	0.1	0.1	0.1	0.1
Investment in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other assets	6.3	7.1	11.4	16.6	22.2
<b>Total assets</b>	<b>101.0</b>	<b>108.3</b>	<b>118.2</b>	<b>130.9</b>	<b>145.5</b>
ST interest bearing debt	0.0	0.0	0.0	0.0	0.0
Accounts payable	24.3	25.4	28.0	31.5	35.3
Insurance contract liabilities	2.3	1.6	1.6	1.6	1.6
LT interest bearing debt	0.0	0.0	0.0	0.0	0.0
Other liabilities	49.0	38.0	38.0	38.0	38.0
<b>Total Liabilities</b>	<b>75.3</b>	<b>65.4</b>	<b>68.0</b>	<b>71.5</b>	<b>75.3</b>
Shareholders Equity	25.8	42.9	50.2	59.4	70.1
Minority Interest	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Total shareholder equity</b>	<b>25.7</b>	<b>42.9</b>	<b>50.2</b>	<b>59.4</b>	<b>70.1</b>
<b>Total liabilities and equity</b>	<b>101.0</b>	<b>108.3</b>	<b>118.2</b>	<b>130.9</b>	<b>145.5</b>
<b>CASH FLOW (SGD m)</b>					
Pretax profit	0.5	7.3	6.2	7.9	9.1
Depreciation & amortisation	(3.7)	(3.2)	(2.1)	(2.0)	(1.9)
Adj net interest (income)/exp	2.2	2.2	(2.5)	(2.5)	(2.5)
Change in working capital	(14.8)	(4.1)	(0.8)	(0.4)	(0.4)
Cash taxes paid	(0.0)	(0.0)	1.1	1.3	1.6
Other operating cash flow	(1.7)	(1.5)	0.0	0.0	0.0
Cash flow from operations	(10.0)	6.2	6.1	8.3	9.6
Capex	(1.2)	(0.9)	(1.0)	(1.0)	(1.0)
Free cash flow	(11.2)	5.4	5.1	7.3	8.6
Dividends paid	0.0	(0.6)	(2.2)	(2.7)	(3.2)
Equity raised / (purchased)	0.0	10.3	0.0	0.0	0.0
Change in Debt	1.4	(8.4)	0.0	0.0	0.0
Other invest/financing cash flow	(4.5)	(1.4)	0.0	0.0	0.0
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	(14.3)	5.3	3.0	4.6	5.5

FYE 30 Jun	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Key Ratios</b>					
<b>Growth ratios (%)</b>					
Revenue growth	14.4	17.9	12.2	12.3	12.3
EBITDA growth	nm	nm	74.7	26.2	16.4
EBIT growth	nm	nm	23.9	18.7	12.3
Pretax growth	nm	1,399.0	(14.8)	26.2	16.3
Reported net profit growth	nm	476.8	10.4	26.2	16.3
Core net profit growth	nm	84.4	245.5	26.2	16.3
<b>Profitability ratios (%)</b>					
EBITDA margin	nm	2.9	4.6	5.1	5.3
EBIT margin	nm	5.4	6.0	6.3	6.3
Pretax profit margin	0.4	5.6	4.3	4.8	5.0
Payout ratio	0.0	8.4	29.6	30.0	30.0
<b>DuPont analysis</b>					
Net profit margin (%)	1.0	5.1	5.0	5.6	5.8
Revenue/Assets (x)	1.1	1.2	1.2	1.3	1.3
Assets/Equity (x)	3.9	2.5	2.4	2.2	2.1
ROAE (%)	4.6	19.2	15.7	16.8	16.5
ROAA (%)	1.2	2.0	6.4	7.4	7.7
<b>Liquidity &amp; Efficiency</b>					
Cash conversion cycle	98.4	107.0	98.0	87.6	77.4
Days receivable outstanding	182.0	188.2	177.0	165.6	155.4
Days inventory outstanding	0.8	0.3	0.4	0.7	0.7
Days payables outstanding	84.4	81.4	79.4	78.7	78.7
Dividend cover (x)	nm	11.9	3.4	3.3	3.3
Current ratio (x)	1.3	1.5	1.7	1.8	1.9
<b>Leverage &amp; Expense Analysis</b>					
Asset/Liability (x)	1.3	1.7	1.7	1.8	1.9
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	na	2.8	3.5	4.2	4.7
Debt/EBITDA (x)	0.0	0.0	0.0	0.0	0.0
Capex/revenue (%)	1.1	0.7	0.7	0.6	0.5
Net debt/ (net cash)	(6.8)	(10.9)	(13.9)	(18.4)	(23.9)

Source: Company; Maybank IBG Research

## Research Offices

### ECONOMICS

**Suhaimi ILIAS**  
Chief Economist  
Malaysia | Philippines | Global  
(603) 2297 8682  
suhaimi\_ilias@maybank-ib.com

**CHUA Hak Bin**  
Regional Thematic Macroeconomist  
(65) 6231 5830  
chuahb@maybank.com

**Erica TAY**  
China | Thailand  
(65) 6231 5844  
erica.tay@maybank.com

**Brian LEE Shun Rong**  
Indonesia | Philippines | Vietnam  
(65) 6231 5846  
brian.lee1@maybank.com

**Fatin Nabila MOHD ZAINI**  
Malaysia | Philippines  
(603) 2297 8685  
fatinnabila.mohdzaini@maybank-ib.com

**Luong Thu Huong**  
(65) 6231 8467  
hana.thuluong@maybank.com

**LEE Jia Yu**  
(65) 6231 5843  
jiayu.lee@maybank.com

### FX

**Saktiandi SUPAAT**  
Head of FX Research  
(65) 6320 1379  
saktiandi@maybank.com

**Fiona LIM**  
(65) 6320 1374  
fionalim@maybank.com

**Alan LAU, CFA**  
(65) 6320 1378  
alanlau@maybank.com

**Shaun LIM**  
(65) 6320 1371  
shaunlim@maybank.com

### STRATEGY

**Anand PATHMAKANTHAN**  
ASEAN  
(603) 2297 8783  
anand.pathmakanthan@maybank-ib.com

### FIXED INCOME

**Winson PHOON, FCA**  
Head of Fixed Income  
(65) 6231 5831  
winsonphoon@maybank.com

**SOH Jing Ying**  
(603) 2074 7606  
jingying.soh@maybank.com

### PORTFOLIO STRATEGY

**ONG Seng Yeow**  
(65) 6231 5839  
ongsengyeow@maybank.com

**Sean LIM**  
(603) 2297 8888  
lim.tzekhang@maybank.com

### MIBG SUSTAINABILITY RESEARCH

**Jigar SHAH**  
Head of Sustainability Research  
(91) 22 4223 2632  
jigars@maybank.com

**Neerav DALAL**  
(91) 22 4223 2606  
neerav@maybank.com

### REGIONAL EQUITIES

**Anand PATHMAKANTHAN**  
Head of Regional Equity Research  
(603) 2297 8783  
anand.pathmakanthan@maybank-ib.com

**WONG Chew Hann, CA**  
Head of ASEAN Equity Research  
(603) 2297 8686  
wchewh@maybank-ib.com

### MALAYSIA

**LIM Sue Lin, Co-Head of Research**  
(603) 2297 8612  
suetin.lim@maybank-ib.com  
• Equity Strategy

**WONG Chew Hann, CA Co-Head of Research**  
(603) 2297 8686  
wchewh@maybank-ib.com  
• Equity Strategy

• Non-Bank Financials (stock exchange)

• Construction & Infrastructure  
**Desmond CH'NG, BFP, FCA**  
(603) 2297 8680  
desmond.chng@maybank-ib.com  
• Banking & Finance

**ONG Chee Ting, CA**  
(603) 2297 8678  
ct.ong@maybank-ib.com  
• Plantations - Regional

**YIN Shao Yang, CPA**  
(603) 2297 8916  
samuel.y@maybank-ib.com  
• Gaming - Regional • Healthcare  
• Media • Aviation • Non-Bank Financials

**TAN Chi Wei, CFA**  
(603) 2297 8690  
chiwei.t@maybank-ib.com  
• Power • Telcos

**WONG Wei Sum, CFA**  
(603) 2297 8679  
weisum@maybank-ib.com  
• Property • Glove

**Jade TAM**  
(603) 2297 8687  
jade.tam@maybank-ib.com  
• Consumer Staples & Discretionary

**Nur Farah SYIFAA**  
(603) 2297 8675  
nurfarahsyifaa.mohamadfuad@maybank-ib.com  
• Renewable Energy • REITs

**LOH Yan Jin**  
(603) 2297 8687  
lohyanjin.loh@maybank-ib.com  
• Ports • Automotive

**Jeremie YAP**  
(603) 2297 8688  
jeremie.yap@maybank-ib.com  
• Oil & Gas • Petrochemicals

**Nur Natasha ARIZA**  
(603) 2297 8691  
natashaariza.aizarizal@maybank-ib.com  
• Healthcare

**Lucas SIM**  
(603) 2082 6824  
lucas.sim@maybank-ib.com  
• Technology (EMS)

**Arvind JAYARATNAM**  
(603) 2297 8692  
arvind.jayaratnam@maybank.com  
• Technology (Semicon & Software)

**TEE Sze Chiah Head of Retail Research**  
(603) 2082 6858  
szechiah.t@maybank-ib.com  
• Retail Research

**Amirah AZMI**  
(603) 2082 8769  
amirah.azmi@maybank-ib.com  
• Retail Research

**Amirul RUSYDY, CMT**  
(603) 2297 8694  
rusydy.azizi@maybank-ib.com  
• Chartist

### SINGAPORE

**Thilan WICKRAMASINGHE Head of Research**  
(65) 6231 5840  
thilanw@maybank.com  
• Strategy • Consumer  
• Banking & Finance - Regional

**Eric ONG**  
(65) 6231 5849  
ericong@maybank.com  
• Healthcare • Transport • SMIDs

**Jarick SEET**  
(65) 6231 5848  
jarick.seet@maybank.com  
• Technology • SMIDs

**Krishna GUHA**  
(65) 6231 5842  
krishna.guha@maybank.com  
• REITs • Industrials

**Hussaini SAIFEE**  
(65) 6231 5837  
hussaini.saifee@maybank.com  
• Telcos • Internet

### PHILIPPINES

**Kervin Laurence SISAYAN Head of Research**  
(63) 2 5322 5005  
kervin.sisayan@maybank.com  
• Strategy • Banking & Finance • Telcos

**Daphne SZE**  
(63) 2 5322 5008  
daphne.sze@maybank.com  
• Consumer

**Raffy MENDOZA**  
(63) 2 5322 5010  
joseraphael.mendoza@maybank.com  
• Property • REITs • Gaming

**Michel ALONSO**  
(63) 2 5322 5007  
michelxavier.alonso@maybank.com  
• Conglomerates

**Germaine GUIINTO**  
(63) 2 5322 5006  
germaine.guinto@maybank.com  
• Utilities

**Ronalyn Joyce LALIMO**  
(63) 2 5322 5009  
rona.lalimo@maybank.com  
• SMIDs

### VIETNAM

**Quan Trong Thanh Head of Research**  
(84 28) 44 555 888 ext 8184  
thanh.quan@maybank.com  
• Strategy • Banks

**Hoang Huy, CFA**  
(84 28) 44 555 888 ext 8181  
hoanghuy@maybank.com  
• Strategy • Technology

**Le Nguyen Nhat Chuyen**  
(84 28) 44 555 888 ext 8082  
chuyen.le@maybank.com  
• Oil & Gas • Logistics

**Nguyen Thi Sony Tra Mi**  
(84 28) 44 555 888 ext 8084  
trami.nguyen@maybank.com  
• Consumer Discretionary

**Tran Thi Thanh Nhan**  
(84 28) 44 555 888 ext 8088  
nhan.tran@maybank.com  
• Consumer Staples

**Nguyen Le Tuan Loi**  
(84 28) 44 555 888 ext 8182  
loi.nguyen@maybank.com  
• Property

**Nguyen Thanh Hai**  
(84 28) 44 555 888 ext 8081  
thanhhai.nguyen@maybank.com  
• Industrials

**Nguyen Thanh Lam**  
(84 28) 44 555 888 ext 8086  
thanhlam.nguyen@maybank.com  
• Retail Research

### INDONESIA

**Jeffrosenberg CHENLIM Head of Research**  
(62) 21 8066 8680  
jeffrosenberg.lim@maybank.com  
• Strategy • Banking & Finance • Property

**Willy GOUTAMA**  
(62) 21 8066 8688  
willy.goutama@maybank.com  
• Consumer

**Etta Rusdiana PUTRA**  
(62) 21 8066 8683  
etta.putra@maybank.com  
• Telcos • Internet • Construction

**Paulina MARGARETA**  
(62) 21 8066 8690  
paulina.tjoa@maybank.com  
• Autos • Healthcare

**Jocelyn SANTOSO**  
(62) 21 8066 8689  
jocelyn.santoso@maybank.com  
• Consumer

**Hasan BARAKWAN**  
(62) 21 8066 2694  
hasan.barakwan@maybank.com  
• Metals & Mining • Oil & Gas

**Faiq ASAD**  
(62) 21 8066 8692  
faiq.asad@maybank.com  
• Banking & Finance

**Kevin HALIM**  
(62) 21 8066 2687  
kevin.halim@maybank.com  
• Property • Cement

**Satriawan HARYONO, CEWA, CTA**  
(62) 21 8066 8682  
satriawan@maybank.com  
• Chartist

### THAILAND

**Chak REUNGSINPINYA Head of Research**  
(66) 2658 5000 ext 1399  
chak.reungsinpinya@maybank.com  
• Strategy • Energy

**Jesada TECHAHUSDIN, CFA**  
(66) 2658 5000 ext 1395  
jesada.t@maybank.com  
• Banking & Finance

**Wasu MATTANAPOTCHANART**  
(66) 2658 5000 ext 1392  
wasu.m@maybank.com  
• Telcos • Technology (Software) • REITs  
• Property • Consumer Discretionary

**Suttatip PEERASUB**  
(66) 2658 5000 ext 1430  
suttatip.p@maybank.com  
• Food & Beverage • Commerce

**Natchaphon RODJANAROWAN**  
(66) 2658 5000 ext 1393  
natchaphon.rodjanarowan@maybank.com  
• Utilities • Property

**Boonyakorn AMORNANSK**  
(66) 2658 5000 ext 1394  
boonyakorn.amornsank@maybank.com  
• Services (Hotels, Transport)

**Nontapat SAHAKITPINYO**  
(66) 2658 5000 ext 2352  
nontapat.sahakitpinyo@maybank.com  
• Healthcare

**Yugi TAKESHIMA**  
(66) 2658 5000 ext 1530  
yugi.takeshima@maybank.com  
• Technology (EMS & Semicon)

**Tanida JIRAPORNKASEMSUK**  
(66) 2658 5000 ext 1396  
tanida.jirapornkasemsum@maybank.com  
• Food & Beverage

## APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

### DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

### Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

### Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act 2001), MRPL shall be legally liable for the contents of this report.

### Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

### US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Wedbush Securities Inc. ("Wedbush"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Wedbush in the US shall be borne by Wedbush. This report is not directed at you if Wedbush is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Wedbush is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Wedbush Securities Inc. 1000 Wilshire Blvd, Los Angeles, California 90017, +1 (646) 604-4232 and not with the issuer of this report.

## UK

This document is being distributed by Maybank Securities (London) Ltd (“MSUK”) which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

## DISCLOSURES

### Legal Entities Disclosures

**Malaysia:** This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia (“PTMSI”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited (“MIBSI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057). **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

### Disclosure of Interest

**Malaysia:** Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

**Singapore:** As of 12 February 2025, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

**Thailand:** MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

**Hong Kong:** As of 12 February 2025, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

**India:** As of 12 February 2025, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

## OTHERS

### Analyst Certification of Independence

The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

### Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

### Definition of Ratings

Maybank IBG Research uses the following rating system

<b>BUY</b>	Return is expected to be above 10% in the next 12 months (including dividends)
<b>HOLD</b>	Return is expected to be between 0% to 10% in the next 12 months (including dividends)
<b>SELL</b>	Return is expected to be below 0% in the next 12 months (including dividends)

### Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

 **Malaysia**

Maybank Investment Bank Berhad  
(A Participating Organisation of  
Bursa Malaysia Securities Berhad)  
33rd Floor, Menara Maybank,  
100 Jalan Tun Perak,  
50050 Kuala Lumpur  
Tel: (603) 2059 1888;  
Fax: (603) 2078 4194

Stockbroking Business:  
Level 8, Tower C, Dataran Maybank,  
No.1, Jalan Maarof  
59000 Kuala Lumpur  
Tel: (603) 2297 8888  
Fax: (603) 2282 5136

 **Singapore**

Maybank Securities Pte Ltd  
Maybank Research Pte Ltd  
50 North Canal Road  
Singapore 059304

Tel: (65) 6336 9090

 **Indonesia**

PT Maybank Sekuritas Indonesia  
Sentral Senayan III, 22<sup>nd</sup> Floor  
Jl. Asia Afrika No. 8  
Gelora Bung Karno, Senayan  
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188

Fax: (62) 21 2557 1189

 **Thailand**

Maybank Securities (Thailand) PCL  
999/9 The Offices at Central World,  
20<sup>th</sup> - 21<sup>st</sup> Floor,  
Rama 1 Road Pathumwan,  
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)

Tel: (66) 2 658 6801 (research)

 **London**

Maybank Securities (London) Ltd  
PNB House  
77 Queen Victoria Street  
London EC4V 4AY, UK

Tel: (44) 20 7332 0221

Fax: (44) 20 7332 0302

 **India**

MIB Securities India Pte Ltd  
1101, 11<sup>th</sup> floor, A Wing, Kanakia  
Wall Street, Chakala, Andheri -  
Kurla Road, Andheri East,  
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600

Fax: (91) 22 6623 2604

 **Vietnam**

Maybank Securities Limited  
Floor 10, Pearl 5 Tower,  
5 Le Quy Don Street,  
Vo Thi Sau Ward, District 3  
Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888

Fax : (84) 28 38 271 030

 **Hong Kong**

MIB Securities (Hong Kong)  
Limited  
28/F, Lee Garden Three,  
1 Sunning Road, Causeway Bay,  
Hong Kong

Tel: (852) 2268 0800

Fax: (852) 2877 0104

 **Philippines**

Maybank Securities Inc  
17/F, Tower One & Exchange  
Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines 1200

Tel: (63) 2 8849 8888

Fax: (63) 2 8848 5738

 **Sales Trading**
**Indonesia**

Helen Widjaja  
helen.widjaja@maybank.com  
Tel: (62) 21 2557 1188

**Philippines**

Keith Roy  
keith\_roy@maybank.com  
Tel: (63) 2 5322 3184

**London**

Greg Smith  
gsmith@maybank.com  
Tel: (44) 207 332 0221

**India**

Sanjay Makhija  
sanjaymakhija@maybank.com  
Tel: (91) 22 6623 2629

[www.maybank.com/investment-banking](http://www.maybank.com/investment-banking)  
[www.maybank-keresearch.com](http://www.maybank-keresearch.com)