

ISOTeam Ltd

4 March 2026

BUY (Maintained)

BBG	ISO SP	
Market Cap	S\$64.0m	
Price (4 March 2026)	S\$0.080	
52-week range	S\$0.060-0.104	
Target Price	S\$0.111	
Previous Price	S\$0.096	
Shares Outstanding	800.5m	
Free Float	34.7%	
Major Shareholder	ADD Investment Holding Pte Ltd	17.6%
	Taisei Oncho Co Ltd	7.81%
	GINKO-AGT Global Growth Fund	5.95%

Source: Company Data, Bloomberg, SAC Capital



Source: Bloomberg, SAC Capital

ANALYST

Matthias Chan
+65 9687 9957
mchan@saccapital.com.sg

INTERN

Zach Khor
+65 9012 8249
zkhor_intern@saccapital.com.sg

KEY FINANCIAL HIGHLIGHTS

Year ended Jun (S\$m)	FY23	FY24	FY25	FY26E	FY27E
Revenue	110.4	130.2	119.2	125.2	140.2
EBIT	2.6	9.2	8.8	11.8	13.6
Net profit	1.1	6.6	5.6	8.4	10.1
EPS (S\$ cents)	0.3	0.9	0.7	1.05	1.27
Dividend per share (S\$ cents)	0.00	0.08	0.08	0.32	0.38
Net cash / (debt)	(41.8)	(27.1)	(41.8)	(19.3)	(10.7)
Valuation					
Gross profit margin (%)	10.0%	15.5%	16.0%	18.6%	19.0%
Net profit margin (%)	1.0%	5.1%	4.7%	6.7%	7.2%
EV/EBITDA (x)	16.0	7.4	8.5	5.6	4.4
P/E (x)	28.6	8.5	11.0	7.6	6.3
P/B (x)	0.8	1.1	1.1	1.1	1.0
Dividend yield (%)	0.0%	1.0%	1.0%	3.9%	4.7%
ROE (%)	3.3%	31.6%	21.6%	14.4%	15.9%

Temporary Dips, Longer Term Gains

Property Acquisition. The Group announced an acquisition of a commercial property to explore possibilities of converting the property into a dormitory for its foreign workforce. The factory-converted dormitory has a remaining lease of 12 years and is expected to accommodate between 200 beds to 400 beds which forms up majority of the foreign workforce. This initiative is expected to positively impact gross margins and allow the Group to continue its cost saving efforts.

1H2026 Results. The Group saw an 18.9% YoY decline in 1H2026 revenue to S\$53.0 million. The revenue decline was primarily due to a timing difference of project completions in their business segments. However, gross profit remained stable at S\$9.87 million, with gross margin improving to 18.6% in 1H2026 from 15% in 1H2025. The gross margins saw improvements due to a successful reflection of cost saving efforts from the company housing their foreign workforce at their HQ by converting on of their levels into a dormitory. As of 26 Jan 2026, the Group's order book stood at S\$176.2 million and is expected to be delivered in the next 2 financial years while 18 other projects worth S\$26.6 million is expected to progressively be completed by Mar 2029.

Forecast Revised. Despite the revenue decline in 1H2026, we are holding our revenue forecast flat as we expect 2H2026 revenue to improve to S\$72.2 million, a 34.2% improvement from S\$53.8 million in 2H2025. We adjusted our gross margins to 18.6% from 16% to reflect the successful cost saving efforts, therefore improving FY2026 net income to S\$8.4 million, an improvement of 21.7% from the previous forecast of S\$6.9 million.

Investment Outlook. We hold a resilient outlook for the construction industry in Singapore. With upcoming public developments like the Changi T5, MBS Integrated Resort and multiple MRT line extensions, the construction demand in Singapore is projected at S\$55 billion in 2026 and subsequently S\$42.5 billion each year until 2030. Many of these public projects require recurring upgrading and improvements which is beneficial for the Group. Paired with the accelerated BTO launches as well as government public development initiatives, the Group is positioned to take advantage of all these developments in the upcoming years.

Risks. Project execution and revenue recognition timing remains the primary risks for the Group. As evidenced by earnings reported in 1H2026, revenue remains susceptible to project milestones and timing delays. Furthermore, a heavy concentration in public sector tenders exposes the Group to heavy margin compression due to competitive biddings and inflationary pressures on labor and materials. Consequently, capitalizing on the construction sector upcycle hinges on the Group's ability to efficiently convert its order book into recognized revenue.

ISOTeam Ltd

4 March 2026

Revised BUY rating at S\$0.111. We have thus maintained our BUY rating with an upgraded TP of S\$0.111, representing an upside of 38.7% from S\$0.08. The Group's improved valuation is supported by an upgraded net profit forecast, driven by cost-saving initiatives and expanded gross margins. This outlook is benchmarked against a peer average forward PER of 10.5x. Furthermore, the structural drivers for the Group's growth remains intact. The Group's secured order book of S\$176.2 million provides revenue visibility for the next 2 years and the positive outlook on Singapore's construction sector continues to provide further growth opportunities.

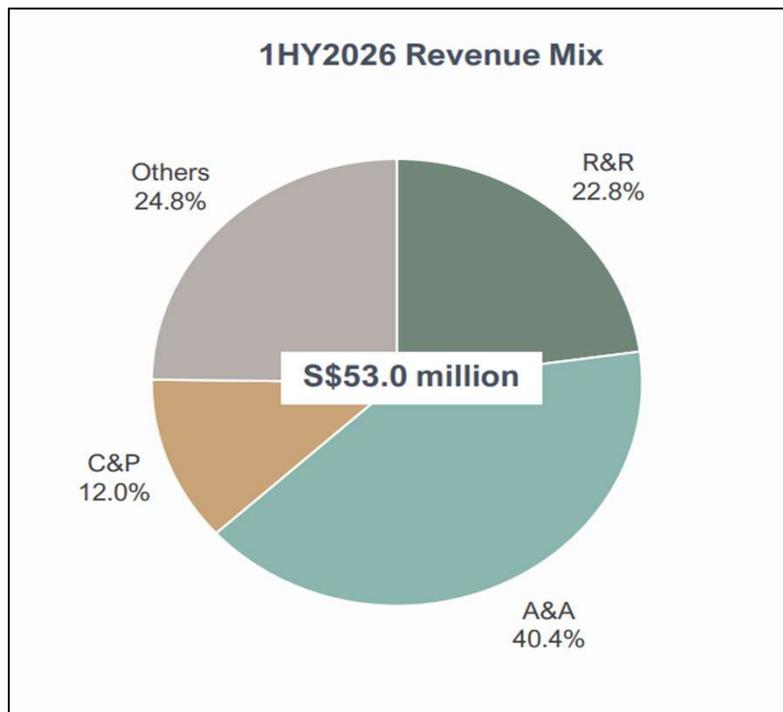
Peer Comparisons

	Ticker	Market Cap (S\$m)	Last Price (S\$)	Trailing 12M P/E	Forward P/E
ISOTEAM LTD	ISO SP	64.04	0.089	9.53	7.61

		Market Cap (S\$m)	Last Price (S\$)	Trailing 12M P/E	Forward P/E
SOILBUILD CONSTRUCTION GROUP	SOIL SP	681.70	1.03	2.70	9.81
KSH HOLDINGS LTD	KSHH SP	216.50	0.38	36.80	12.50
HUATIONG GLOBAL LTD	HUAGL SP	168.25	0.89	10.91	9.21

Source: Company Data, Bloomberg, SAC Capital

Revenue Mix

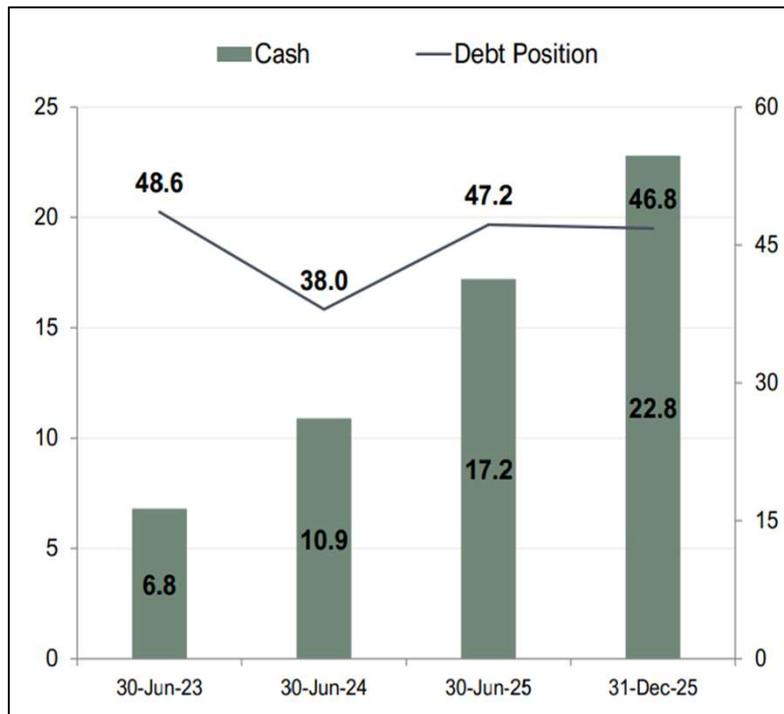


Source: Company Data

ISOTeam Ltd

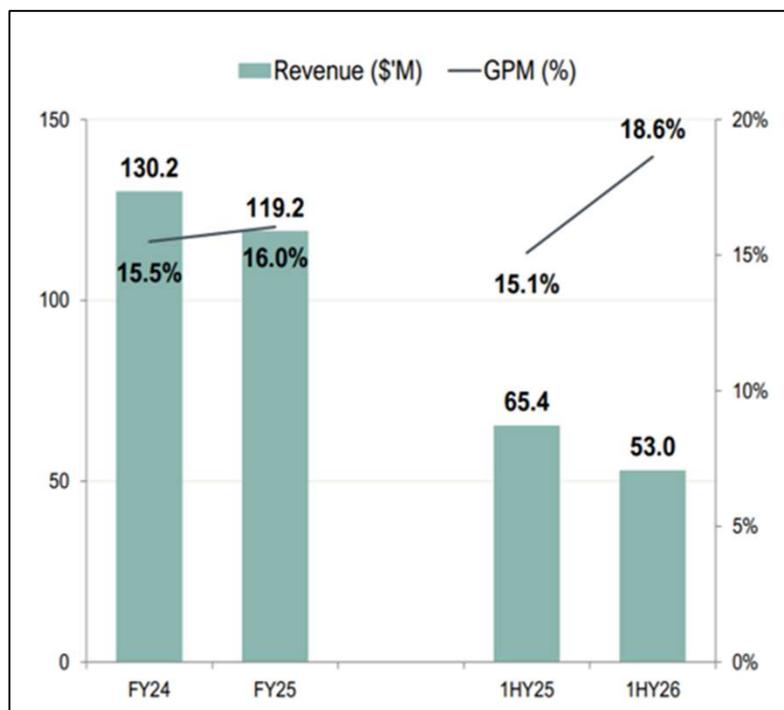
4 March 2026

Cash and Debt Position



Source: Company Data

Revenue Performance



Source: Company Data

Income Statement

FYE Jun (\$S'm)	FY23	FY24	FY25	FY26E	FY27E
Revenue	110.4	130.2	119.2	125.2	140.2
Cost of sales	(99.3)	(110.0)	(100.1)	(101.9)	(113.6)
Gross profit	11.1	20.2	19.1	23.3	26.6
Other income	4.6	5.7	3.7	2.5	2.9
Marketing and Distribution expenses	(0.8)	(0.7)	(0.8)	(0.9)	(1.1)
General and Administrative expenses	(11.3)	(13.2)	(12.4)	(12.1)	(13.6)
Finance costs	(2.3)	(2.5)	(2.2)	(2.2)	(1.8)
Impairment loss on receivables and contract assets	(0.6)	(1.7)	(0.1)	(0.1)	(0.1)
Other operating expenses	(0.2)	(0.5)	(0.6)	(0.3)	(0.7)
Profit before tax	0.5	7.3	6.7	10.1	12.2
Tax Credit / (Loss)	0.7	(0.7)	(1.1)	(1.7)	(2.1)
Net income	1.1	6.6	5.6	8.4	10.1

Balance Sheet

FYE Jun (\$S'm)	FY23	FY24	FY25	FY26E	FY27E
Current Assets					
Property, plant and equipment	21.5	20.0	17.7	22.1	19.9
Goodwill	1.7	1.7	1.7	1.7	1.7
Intangible assets	0.2	0.1	0.1	0.1	0.1
Other investments	3.5	4.7	7.4	7.4	7.4
Investment in associate	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	1.1	0.8	0.8	0.8	0.8
Total non-current assets	28.0	27.3	27.6	32.0	29.8
Current Assets					
Contract assets	36.1	42.2	41.4	44.4	42.4
Asset held for sale	0.0	0.0	0.0	0.0	0.0
Inventories	0.2	0.0	0.0	0.2	0.2
Trade and other receivables	29.9	27.9	34.5	26.3	29.4
Cash and bank balances	6.8	10.9	17.2	23.6	29.5
Tax recoverable	0.1	0.0	0.0	0.0	0.0
Total current assets	73.0	81.0	93.1	94.5	101.7
Total assets	101.0	108.3	120.8	126.5	131.4
Non-current liabilities					
Borrowings	13.5	10.1	7.7	7.7	7.7
Deferred tax liabilities	0.1	0.1	0.1	0.1	0.1
Lease liabilities	3.3	2.6	2.4	1.1	(0.1)
Total non-current liabilities	17.0	12.8	10.2	8.9	7.7
Current liabilities					
Contract liabilities	2.3	1.6	0.8	0.8	0.8
Trade and other payables	24.3	25.4	22.9	22.7	25.3
Borrowings	30.6	24.1	36.6	36.6	36.6
Lease liabilities	1.2	1.2	0.6	(2.4)	(3.9)
Provision for taxation	0.0	0.3	1.4	1.4	1.4
Total current liabilities	58.4	52.7	62.2	59.0	60.1
Total liabilities	75.3	65.4	72.3	67.9	67.7
Share capital and reserves					
Share capital	43.7	54.3	35.0	41.8	41.8
Treasury shares	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Accumulated (losses)/profits	(10.6)	(4.0)	20.5	23.9	29.0
Foreign currency translation reserve	0.0	0.0	0.0	0.0	0.0
Merger reserve	(7.3)	(7.3)	(7.3)	(7.3)	(7.3)
Other reserves	0.0	0.1	(0.1)	(0.1)	(0.1)
Equity attributable to equity holders of the Company	25.8	42.9	48.0	58.2	63.3
Non-controlling interests	(0.1)	(0.0)	0.4	0.4	0.4
Total equity	25.7	42.9	48.4	58.6	63.7

Cash Flow Statement

FYE Jun (\$S'm)	FY23	FY24	FY25	FY26E	FY27E
Cash flows from operating activities					
Profit/(loss) before tax	0.5	7.3	6.7	10.1	12.2
Adjustments for:					
Amortisation and Depreciation	3.7	3.2	3.0	3.0	3.3
Gains and Losses on Disposal	(2.5)	(3.3)	(0.0)	0.0	0.0
Impairments and Write-offs	0.7	1.9	0.1	0.1	0.1
Interest income	(0.1)	(0.3)	(0.0)	(0.2)	(0.4)
Interest expense	2.2	2.2	1.9	1.8	1.8
Investments and Equity	0.1	0.3	0.6	0.0	0.0
Other adjustments	0.0	(1.2)	(2.7)	0.1	0.0
Operating profit/loss	4.7	10.1	9.4	15.1	17.1
Changes in working capital	(14.8)	(4.1)	(9.3)	4.9	1.4
Cash used in operations	(10.1)	6.0	0.1	19.9	18.4
Interest received	0.1	0.3	0.0	0.2	0.4
Tax paid	(0.0)	(0.0)	0.0	(1.7)	(2.1)
Net cash used in operating activities	(10.0)	6.2	0.1	18.4	16.8
Cash flows from investing activities					
Additions to intangible assets	(0.1)	(0.0)	0.0	0.0	0.0
Purchases of property, plant and equipment	(1.1)	(1.0)	(0.3)	(1.0)	(1.1)
Proceeds from disposal of investment property	0.0	0.0	0.0	0.0	0.0
Proceeds from disposal of property, plant and equipment and asset held for sale	0.1	0.1	0.1	0.0	0.0
Proceeds from disposal of other investments	0.0	0.0	0.0	0.0	0.0
Proceeds from disposal of associates	0.0	0.0	0.0	0.0	0.0
Net cash inflow from disposal and derecognition of subsidiaries	0.0	(0.0)	0.0	0.0	0.0
Net cash outflow for acquisition of a subsidiary	0.0	0.0	0.0	0.0	0.0
Net cash generated from investing activities	(1.1)	(0.9)	(0.2)	(1.0)	(1.1)
Cash flows from financing activities					
Proceeds from issue of share capital	0.0	10.4	0.0	7.0	0.0
Transaction costs related to issue of share capital	0.0	(0.1)	0.0	(0.2)	0.0
(Placement)/withdrawal of fixed deposits pledged to bank	(2.5)	1.0	(0.0)	(0.5)	(0.5)
Drawdown of borrowings	43.7	49.7	71.0	0.0	0.0
Repayment of borrowings	(41.1)	(56.7)	(60.9)	(10.8)	(7.1)
Repayment of lease liabilities	(1.3)	(1.4)	(1.3)	(1.0)	0.0
Purchase of treasury shares	0.0	0.0	0.0	0.0	0.0
Due to directors (non-trade)	0.1	(0.2)	0.0	0.0	0.0
Interest paid	(2.1)	(2.2)	(1.7)	0.2	0.4
Dividends paid to equity owners	0.0	0.0	(0.6)	(2.5)	(2.5)
Net cash used in financing activities	(3.2)	0.5	6.5	(7.8)	(9.8)
Net (decrease)/increase in cash and cash equivalents	(14.3)	5.8	6.5	9.6	5.9
Cash and cash equivalents at beginning of financial year	16.1	1.8	7.6	14.0	23.6
Cash and cash equivalents at end of financial year	1.8	7.6	14.0	23.6	29.5

DISCLAIMERS AND DISCLOSURES

This report has been prepared and distributed by SAC Capital Private Limited (“SAC Capital”) which is a holder of a capital markets services licence and an exempt financial adviser in Singapore.

This report is provided for general information only and is not intended to constitute investment, legal, tax or accounting advice. It has been prepared without regard to the specific investment objectives, financial situation, tax position or particular needs of any individual person or specific group. Nothing in this report constitutes a solicitation, invitation or offer to buy or sell any securities. Prospective investors should conduct their own due diligence and obtain independent advice (including from a financial adviser) as to the suitability of any investment, taking into account their personal circumstances.

This report is confidential and is provided solely for the recipient’s information. The contents of this report may not be copied, reproduced, published, distributed or transmitted (in part or in whole) to any other person without the prior written consent of SAC Capital. The distribution of this report outside the jurisdiction of Singapore is also strictly prohibited. Recipients are responsible for complying with any such restrictions. No representation is made that this report may be lawfully distributed in compliance with any applicable regulations outside Singapore.

Whereas SAC Capital has not independently verified all the information set out in this report, all reasonable care and effort has been taken to ensure that the facts stated herein are accurate, this report might contain certain forward looking statements and forward looking financial information which are based on certain assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the subject company to be materially different from those expressed herein. Predictions, projections or forecasts of the economy or market trends are not indicative of the future performance of the subject company. The inclusion of such statements and information should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions of the subject company or that the forecast results will or are likely to be achieved.

Our opinion and facts set out in this report are based on the market, economic, industry and other applicable conditions prevailing as at the date of the preparation of this report. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion in light of any development subsequent to the publication of this report, that may or may not have affected our opinion contained herein.

This report may contain forward-looking statement, forecasts and projections that involve assumptions, risks and uncertainties. Actual result may differ materially from those express or implied. Such forward-looking statements are made only as of the date of this report and SAC Capital assumes no obligation to update or revise them to reflect new information or future events.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information or opinions contained herein. To the extent permitted by law, SAC Capital and its affiliates, officers, directors, employees and agents expressly disclaim any liability (including negligence) for any loss arising from the use of its report or its content.

SAC Capital and its connected persons (including officers, directors and employees) may have positions in, make markets in, or effect transactions in securities mentioned in this report, and may from time to time provide or solicit advisory, corporate finance, underwriting, placement, sponsorship or other services to the issuers of those securities.

SAC Capital’s employees or connected persons serve on the board or trustee positions of the subject company as disclosed hereunder:

Name of the subject company	Designation
Nil	Nil

As at the date of this report, SAC Capital has proprietary positions or interests in the subject company as disclosed hereunder,:

Party	Quantum of position
Nil	Nil

As at the date of this report, SAC Capital, has had business relations with the subject company within the past 12 months, as disclosed hereunder:

Nature of Business Relation	Date of Business Relation
Paid Research	Ongoing Relation

As at the date of this report, the analysts who covered the securities in this report have proprietary positions or material interests in the subject company covered, as disclosed hereunder:

Analyst name	Quantum of position
Nil	Nil

ANALYST CERTIFICATION

As noted above, research analyst(s) of SAC Capital who produced this report hereby certify that

- (i) The views expressed in this report accurately reflect his/her personal views about the subject company ;
- (ii) The report was produced independently by him/her;
- (iii) He/she does not on behalf of SAC Capital or any other person carry out other services involving any of the subject company or securities referred to in this report; and
- (iv) He/she has not received and will not receive any compensation or benefits related to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. He/she has not and will not receive any compensation or benefits linked to the performance of the securities of the subject company from the time of the publication of this report either.