



GRAND BANKS YACHTS LIMITED

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Grand Banks Yachts Announces 9M FY2019 Net Profit of S\$1.4 Million; Net Order Book Rises to S\$47.5 Million

As at 31 March S\$'000	3Q FY2019	3Q FY2018 <i>Restated</i>	Change (%)	9M FY2019	9M FY2018 <i>Restated</i>	Change (%)
Revenue	15,003	22,131	(32.2)	53,909	67,141	(19.7)
Gross Profit	3,997	5,275	(24.2)	13,992	15,030	(6.9)
Gross Profit Margin	26.6%	23.8%	2.8 ppt*	26.0%	22.4%	3.6 ppt*
Total Operating Expenses	(3,532)	(3,655)	(3.4)	(11,382)	(11,208)	1.6
Profit Before Tax	235	1,812	(87.0)	1,791	4,062	(55.9)
Net Profit	147	1,784	(91.8)	1,377	4,081	(66.3)

*ppt means percentage points

SINGAPORE, 15 May 2019 – Grand Banks Yachts Limited (“Grand Banks” or “the Group”) announced today that it recorded net profit of S\$1.4 million for the nine months ended 31 March 2019 (“9M FY2019”), as its net order book rose to S\$47.5 million as at 31 March 2019 from S\$32.8 million as at 31 March 2018.

The SGX Mainboard-listed luxury yacht builder reported a net profit of S\$147,000 for the three months ended 31 March 2019 (“3Q FY2019”) compared to S\$1.8 million in 3Q FY2018. The Group had restated its FY2018 results to reflect retrospective adoption of the Singapore Financial Reporting Standards International, whereby revenue is progressively recognised on a cost-to-cost basis.

Revenue for 3Q FY2019 was S\$15.0 million, a decrease of S\$7.1 million from a restated S\$22.1 million a year ago, primarily due to only one trade-in boat sale being recorded in 3Q FY2019 compared to two stock boat sales and one trade-in sale in 3Q FY2018.

The Group has been introducing bigger, sleeker, better-performing luxury boat models, such as the Grand Banks 54 (formerly Grand Banks 52), Palm Beach GT60 and Palm Beach GT70, which are scheduled to debut later in calendar year 2019.

The Palm Beach GT50, which received glowing reviews in late 2018 at North American trade shows, made its Asian debut at the Singapore Yacht Show in April 2019. It will be showcased in Cannes, France in September. The GT50 will be joined by the Palm Beach 65, Palm Beach 55 and Palm Beach 50 at the Sanctuary Cove show in Queensland in May 2019.

To accelerate automation at its 480,000-square-foot yard in Pasir Gudang, Malaysia, the Group added a second robot. It also changed the yard layout to facilitate prototyping of new designs. Reflecting these efforts, gross profit margin for 9M FY2019 rose to 26.0% from 22.4% for 9M FY2018. Other contributing factors include better selling prices and fewer trade-in boat sales.

Earnings per share declined to 0.08 Singapore cent in 3Q FY2019 from 0.96 Singapore cent in 3Q FY2018 while net asset value per share was 30.41 Singapore cents as at 31 March 2019, compared to 27.30 Singapore cents a year ago. The Group’s cash and cash equivalents stood at S\$3.7 million, compared to S\$8.4 million as at 30 June 2018.

Mr. Mark Richards, Chief Executive Officer of Grand Banks, said: "FY2019 is an important milestone for Grand Banks. We have expanded our new product range to a very impressive level, creating 12 new products over the last four years. We have also doubled the size of our plant in Pasir Gudang, Malaysia, equipping it with state-of-the-art machineries and processes.

"This has all come as a big investment but has laid a solid foundation for the Group's future and we are very excited moving forward. We will be putting our next focus on a much higher level of marketing and sales."

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said: "Grand Banks has unveiled an exciting range of sleeker and faster boats which has helped to lift the net order book. The improved profit margins underscore the Group's strong product program and effectiveness in our deliverables. With the new upgrades to the plant, we can expect better performance and will continue to add value to our customers and shareholders."

End of Release

About Grand Banks Yachts Limited

Grand Banks, a renowned manufacturer of luxury recreational motor yachts for over 60 years, has designed and developed vessels that have become icons among boaters across the globe. While staying true to this heritage, Grand Banks continues to defy the expectations of yachtsmen with its timeless style, unique innovation and unyielding commitment to quality.

The Group manufactures yachts under the Grand Banks, Eastbay and Palm Beach brands out of its manufacturing yards at Pasir Gudang, Johor, Malaysia, and Berkeley Vale, Sydney, Australia. The yachts, which range between 42 feet and 70 feet, have a reputation for impeccable quality that delivers an unrivalled performance.

Grand Banks was listed on the Singapore Exchange Limited ("SGX") in 1987 and upgraded to the Main Board in 1993.

For more information, visit: www.grandbanks.com; www.pbmotoryachts.com

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