



GRAND BANKS

GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)

274 Upper Bukit Timah Road #03-16

Singapore 588213

Grand Banks Yachts Achieves S\$1.6 Million Net Profit After Tax and Improved Margins for 1Q FY2021 Despite COVID-19 Uncertainty

- Higher GPM due to start of construction & revenue recognition of certain higher GPM boats
- Net order book lifted to S\$62.1 million as at 30 September 2020 from S\$52.8 million a year ago with 11 new orders in 1Q FY2021
- Cash holdings increased to S\$18.7 million from S\$5.2 million a year ago

As at 30 September S\$'000 [^]	1Q FY2021	1Q FY2020	Change (%)
Revenue	24,555	26,047	(5.7)
Gross Profit	6,166	6,164	0.0
Gross Profit Margin ("GPM") (%)	25.1	23.7	1.4 ppt*
Total Operating Expenses	(3,738)	(3,864)	(3.3)
Profit Before Tax	2,320	2,094	10.8
Net Profit After Tax	1,634	1,681	(2.8)

*ppt: percentage points

[^] based on unaudited financial results

SINGAPORE, 22 October 2020 – Despite the dampened business sentiment due to the COVID-19 pandemic, **Grand Banks Yachts Limited** ("Grand Banks" or the "Group") recorded quarterly revenue of S\$24.6 million for the three months ended 30 September 2020 ("1Q FY2021"). Gross profit margin improved to 25.1% from 23.7% a year ago due to the commencement of construction and recognition of certain higher GPM boats.

The SGX Mainboard-listed boat builder of global boat brands, Grand Banks and Palm Beach boats, reported net profit after tax of S\$1.6 million (1Q FY2020:S\$1.7 million). Total operating expenses for 1Q FY2021 decreased by 3.3% to S\$3.7 million (1Q FY2020:S\$3.9 million), mainly due to lower boat show expenses, offset by higher payroll costs.

In May, the Group resumed operations at its main production yard at Pasir Gudang, Malaysia, after almost eight weeks of temporary closure in compliance with the restrictions imposed by the Government of Malaysia to curb the spread of COVID-19. In response to the disruption, the Group has implemented several cost containment efforts, and is on track to relocate its boat manufacturing activities from Berkeley Vale, Australia, to Pasir Gudang, Malaysia by end December 2020.

Anticipating volatility in the coming months, the Group has realised its inventory of stock boats and increased its cash holdings to S\$18.7 million from S\$5.2 million a year ago, thereby strengthening its balance sheet. Earnings per share for 1Q FY2021 came to 0.88 Singapore



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cent (1Q FY2020:0.91 Singapore cent). Net asset value per share was 31.91 Singapore cents as at 30 September 2020, up slightly from 30.89 Singapore cents as at 30 June 2020.

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said: "Against the headwinds of the COVID-19 uncertainty, the results are encouraging. There is still a market for well-designed luxury boats at the right price points, as evident from the strong sales this quarter. We will continue to maintain sales momentum while reviewing our cost-containment measures."

Mr. Mark Richards, CEO of Grand Banks, said: "Despite restrictions on travel and boat shows that are not expected to be lifted in the coming months, our marketing efforts have paid off in the latest quarter. We are also on track to complete the consolidation of our manufacturing activities, and expect to see better operating margins on newly constructed boats over the medium to long term. We will continue to work hard to add value to our shareholders."

End of Release

About Grand Banks Yachts Limited

Grand Banks, a renowned manufacturer of luxury recreational motor yachts for more than 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 yard at Pasir Gudang, Johor, Malaysia and provides customer support out of its service yard at Stuart, Florida, USA. The yachts, which range between 42 feet and 85 feet, have a reputation for impeccable quality that delivers 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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