

**GRAND BANKS YACHTS LIMITED**

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## Grand Banks Yachts' 1H FY2021 Net Profit Rises 95% to S\$4.0 Million on Higher Revenue Despite COVID-19 Challenges

As at 31 December S\$'000	1H FY2021	1H FY2020	Change (%)
Revenue	53,445	45,082	18.6
Gross Profit	12,952	11,189	15.8
Gross Profit Margin (%)	24.2	24.8	(0.6) ppt*
Total Operating Expenses	(7,609)	(7,950)	(4.3)
Profit Before Tax	5,242	2,896	81.0
Net Profit	3,982	2,042	95.0

\*ppt: percentage points

**SINGAPORE, 8 February 2021 – Grand Banks Yachts Limited** (“Grand Banks” or “the Group”) announced today that its net profit for the six months ended 31 December 2020 (“1H FY2021”) rose 95.0% to S\$4.0 million from S\$2.0 million a year ago on higher revenue, even as it stepped up digital marketing as physical boat show activities declined due to the pandemic.

With more boats under construction and consequently more boats reaching production completion, revenue in 1H FY2021 rose 18.6% to S\$53.4 million from S\$45.1 million a year ago, underscoring the resilience of Singapore Exchange Mainboard-listed builder of world-renowned Grand Banks, Eastbay and Palm Beach brands in the face of COVID-19.

The Group’s 1H FY2021 gross profit rose 15.8% to S\$13.0 million from S\$11.2 million while gross profit margin declined marginally to 24.2% from 24.8% over the comparative periods. Operating expenses for 1H FY2021 decreased to S\$7.6 million from S\$8.0 million the previous year as the pandemic inhibited business travels and curtailed boat shows.

Earnings per share increased to 2.16 cents in 1H FY2021 from 1.11 cents in 1H FY2020 while net asset value per share was 32.99 cents as at 31 December 2020 compared to 30.89 cents as at 30 June 2020.

The pandemic has led to cancellation of several boat shows in the United States, the Group’s main market. In response, the Group has stepped up digital marketing and sales initiatives, by improving digital content and advertising and introducing 360-degree virtual tours of its boats. It has also conducted private boat tours for buyers who prefer a physical experience.

As a result of these efforts, Grand Banks recorded seventeen new boat orders and one trade-in boat order during the reporting period, including the first order of its latest boat model, the Eastbay 60, which is expected to debut in early 2022. The Group’s net order book stood at S\$57.6 million as at 31 December 2020 compared to S\$48.9 million at the end of June 2020.

To allow greater flexibility and swifter execution in the event of further market volatility in the coming months, the Group strengthened its balance sheet through the increase in cash and cash equivalents to S\$22.2 million as at 31 December 2020 compared to S\$10.7 million as at 30 June 2020.

The Pasir Gudang yard was shut between 18 to 31 January 2021 after the first-ever incidence of COVID-19 infection was detected at the premises. After testing all 651 employees, 44 COVID-19 positive cases were detected as at 22 January. The 44 workers were quarantined and not allowed to work until they have been certified to be free from COVID-19. Operations have since resumed after even more stringent health measures were implemented.

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said: "The health and safety of staff are of paramount importance and we are implementing strict measures to ensure their well-being in the face of the pandemic. Despite the challenges, Grand Banks has returned a good performance in the period under review, reflecting the capability of management and the hard work of the entire team."

Mr. Mark Richards, Chief Executive Officer of Grand Banks, said, "In January 2021 we took the decision to halt operations temporarily at our Malaysian yard to complete testing of our entire workforce. The infected staff have been quarantined and we have tightened health measures even further as we take the welfare of staff seriously."

"In view of travel restrictions and curtailed boat show activities due to the pandemic, we have significantly stepped up digital marketing efforts, which have clearly yielded results. As we prepare to debut the Eastbay 60, we will increase customer engagement and experience. In this regard, Mr. Roy Ditmarsch, a passionate sailor recently appointed Chief Business Officer, will drive commercial and business strategies for both the Grand Banks, Eastbay and Palm Beach brands."

**## 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](http://www.grandbanks.com); [www.pbmotoryachts.com](http://www.pbmotoryachts.com)

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