



Grand Bank Yachts Proposes Dividend of 1.0 Singapore Cent After Multi-Year High Net Profit of S\$10.1 Million and Revenue of S\$114.2 Million in FY2023

- Eighth consecutive full-year profit is the Group's highest in more than ten years
- Profit before tax up almost five-fold to S\$14.7 million from S\$2.9 million a year ago
- FY2023 gross profit margin improved to 32.2% from 26.6% a year ago
- Records 19 new boat orders; net order book at S\$159.4 million as of 30 June 2023
- Pasir Gudang facility to expand by more than 25% to increase production capacity and handle larger boat models, so as to reduce order backlog

As at 30 June S\$'000	2H FY2023	2H FY2022	Change (%)	FY2023	FY2022	Change (%)
Revenue	63,956	41,409	54.4	114,171	75,177	51.9
Gross Profit	22,651	12,458	81.8	36,785	19,963	84.3
Gross Profit Margin (%)	35.4	30.1	5.3 ppt*	32.2	26.6	5.6 ppt*
Total Operating Expenses	(12,577)	(8,789)	43.1	(22,172)	(17,289)	28.2
Profit Before Tax	10,358	3,630	185.3	14,710	2,948	398.9
Net Profit	6,494	4,708	37.9	10,108	4,014	151.8
Earnings Per Share (cents)	3.52	2.55	37.9	5.47	2.17	151.8

*ppt: percentage points

SINGAPORE, 28 August 2023 – SGX Mainboard-listed boat builder **Grand Banks Yachts Limited** (“Grand Banks” or the “Group”) proposed today a final dividend of 1.0 Singapore cent per ordinary share for the year ended 30 June 2023 (“FY2023”), after reporting its highest net profit and revenue in more than ten years of S\$10.1 million and S\$114.2 million, respectively.

The builder of the prestigious Grand Banks, Eastbay, and Palm Beach brands closed its eighth consecutive profitable year, with FY2023 net profit after tax rising more than 2.5 times from S\$4.0 million in FY2022. Higher production lifted FY2023 revenue by 51.9% year-on-year from S\$75.2 million in FY2022 when it faced almost two and a half months of COVID-related disruptions at its manufacturing facility in Pasir Gudang, Johor.

For the six months ended 30 June 2023 (“2H FY2023”), the Group recorded net profit after tax of S\$6.5 million, a 37.9% increase from S\$4.7 million in 2H FY2022. The higher bottom line was achieved on higher revenue of S\$64.0 million in 2H FY2023 from S\$41.4 million a year ago.

Media Release - Grand Banks Yachts FY2023 Financial Performance

In line with revenue, gross profit for 2H FY2023 and FY2023 rose 81.8% and 84.3%, respectively, to S\$22.7 million (2H FY2022: S\$12.5 million) and S\$36.8 million (FY2022: S\$20.0 million), respectively, mainly due to higher production efficiency. Gross profit margin rose to 35.4% and 32.2% in 2H FY2023 and FY2023, respectively (full year 32.2% vs 26.6% in FY2022).

Earnings per share for FY2023 rose to 5.47 Singapore cents compared to 2.17 Singapore cents in FY2022, while net asset value per share increased to 37.44 Singapore cents, as at 30 June 2023 (30 June 2022: 34.38 Singapore cents).

Net cash generated from operating activities rose to S\$15.2 million in FY2023, compared to cash flows used in operations of S\$1.0 million a year ago, mainly due to higher net profit, higher trade and other payables, partially offset by higher contract assets and inventories. Cash and cash equivalents increased to S\$40.1 million (including fixed deposit of longer maturity of S\$4.5 million) as at 30 June 2023 from S\$36.3 million a year ago.

Meanwhile, cash flows used in investing for FY2023 amounted to S\$11.9 million as the Group developed new products, purchased new machineries, acquired a property directly opposite its U.S. headquarters in Stuart, Florida, placement of longer term deposits and other investment. Completed in December 2022, the property acquisition has expanded the Group's capacity to service more boats in the USA and strengthen branding and customer relations in its main geographical market.

Grand Banks secured 19 new boats and one trade-in, compared to 31 new orders for FY2022. On the outlook, the Group envisages softer customer sentiment due to macroeconomic and geopolitical uncertainty, lifting of travel restrictions and higher interest costs.

Nonetheless, it remains cautiously optimistic as it ramps up sales and marketing to maintain a strong pipeline. Its net order book remained robust at S\$159.4 million as of 30 June 2023, compared to S\$182.9 million a year ago.

In August 2023, the Group started building a new single-storey facility at its Pasir Gudang yard. This will add over 25% of usable floor space to accommodate new machinery. The expansion will accelerate production capacity, shorten delivery times and enable construction of larger, sleeker and more energy-efficient models.

Mark Richards, CEO of Grand Banks, said: "The Grand Banks team has emerged from the pandemic with a much stronger foundation in operations and marketing, helping us to achieve an excellent financial performance in FY2023. We are expanding our facilities in Malaysia and the USA, underscoring our confidence in the long-term growth of the luxury yachting industry and of the Company's prestigious brands."

"Moving forward, we will continue to strengthen our reputation as a reliable boat builder with top-quality service and customer support. The Group has also broadened its range of boat models, and intends to maintain a healthy order book to mitigate potential economic challenges," he added.

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, Palm Beach and Eastbay brands out of its manufacturing yard at Pasir Gudang, Johor, Malaysia and provides customer support out of its service yards at Stuart, Florida, USA and Newport, New South Wales, Australia. 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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