

**GRAND BANKS YACHTS LIMITED**  
**2015 ANNUAL GENERAL MEETING**  
**TURNING THE TIDES**

# AGM 2015

## AGENDA

- Recent Highlights
- Key Updates
  - Manufacturing Assets
  - Product Line
  - Sales and Distribution Model
  - People
  - Boat Shows
- Financial Review
- Outlook



# RECENT HIGHLIGHTS

August 2014

Completed acquisition of Palm Beach Motor Yachts

December 2014

Equipped Malaysian facility with capabilities to build the Palm Beach 50 – the first boat to have its production moved from Australia to Malaysia

April 2015

Achieved six-year high net order book of S\$31.6 million

July 2015

Started construction of the Palm Beach 42 – the first new Palm Beach model being built in Malaysia

August 2015

Announced FY2015 results; achieved second six-year high net order book of S\$36.5 million; completed bulk of restructuring

October 2015

Announced Q1 FY2016 results; recorded S\$1.2 million net profit



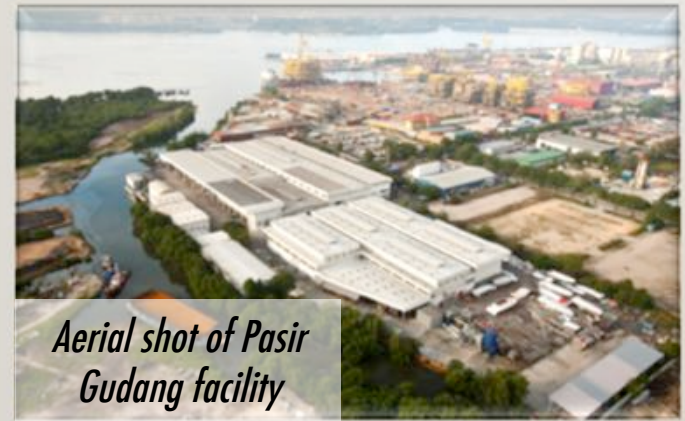
# KEY UPDATES

## MANUFACTURING ASSETS

- Alignment of production capacity
  - The Group's boat-building capacity – with facilities at full capacity in Australia and improving utilisation rate in Malaysia – has now been aligned across both brands and locations
  - Malaysian facility is now able to fulfill excess Palm Beach orders
  - Four Palm Beach models are currently being built in Malaysia (42, 50, 55, 65)



*PB 50, a new Palm Beach model, being built at Pasir Gudang*



*Aerial shot of Pasir Gudang facility*

# KEY UPDATES

## MANUFACTURING ASSETS

- Incorporated synergies to drive production processes
- Reorganised Malaysian facility to streamline costs and operating efficiencies
- Invested in new equipment



# KEY UPDATES

## PRODUCT LINE

- Refined and remodelled Grand Banks and Palm Beach designs
  - Three new models: Grand Banks 60, Grand Banks 44 Eastbay and Palm Beach 42
- New boats incorporate manufacturing techniques used in production of Palm Beach
  - Enhanced quality, superior performance and better fuel efficiency
- Received positive receptions at boat shows

# PRODUCT LINE

## NEW GRAND BANKS 60



# PRODUCT LINE

## NEW GRAND BANKS 44 EASTBAY





# PRODUCT LINE

## NEW PALM BEACH 42



# KEY UPDATES

## SALES AND DISTRIBUTION MODEL

- Factory-direct sales team
  - Better customer experience
  - Lower distribution costs
- Led to 10 new boat orders in the last six months



Hank Compton, Peter Poli and Mark Richards with boat enthusiast Anthony Huray on his Grand Banks 55 Aleutian RP

# KEY UPDATES

## INVESTMENT IN PEOPLE

- Raised the skillsets of staff in Malaysian facility
- Over the last 12 months, engaged six veteran salespersons in the U.S. with significant expertise
- Cross-pollination of manufacturing techniques
  - Personnel from Berkeley Vale visited Pasir Gudang for staff training
  - Pasir Gudang staff visited Berkeley Vale to supplement construction efforts

# KEY UPDATES

## BOAT SHOWS

### PARTICIPATED

- Newport
- Norwalk
- Annapolis

### UPCOMING

- Fort Lauderdale
- Miami
- Palm Beach
- Singapore



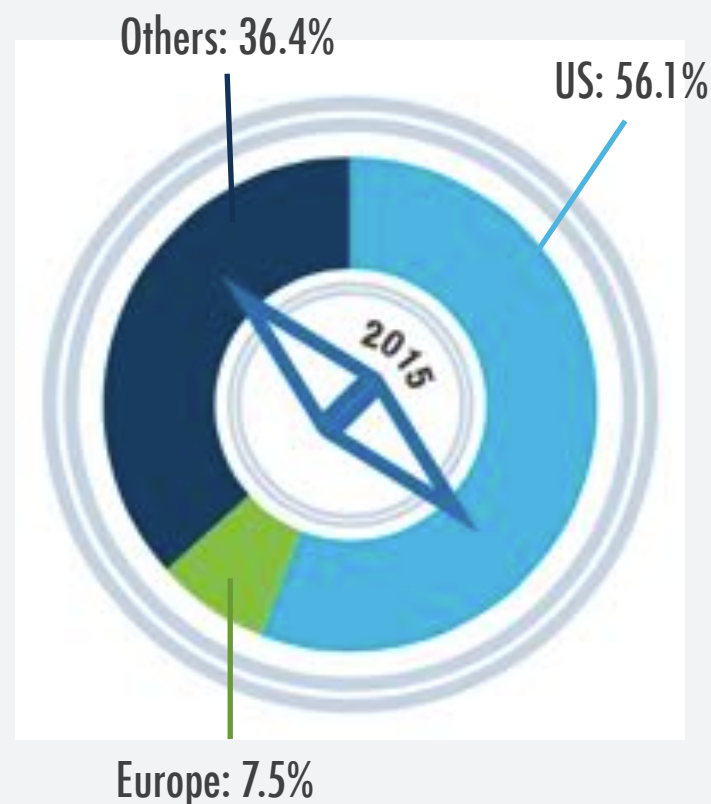


# FINANCIAL REVIEW

## FY2015 ORDER INTAKE

- U.S. sales entered third year of recovery following 2008 global financial crisis
- Australian sales on the rise following acquisition of Palm Beach
- Aggregate net order book at S\$36.5 million (as at 30 June 2015)
  - Received five new boat orders in Q4 FY2015
- Aggregate net order book stands at S\$32.1 million (as at 30 September 2015)
  - Received five new boat orders in Q1 FY2016

FY2015 Sales: S\$39.2 million



# FINANCIAL REVIEW

## FY2015 SNAPSHOT

### Income Statement

S\$ ('000)	FY2015	FY2014	Change (%)
Revenue	39,190	40,349	(2.9)
Gross Profit	3,873	7,840	(50.6)
Total Operating Expenses	(8,609)	(6,541)	31.6
Net Profit/(Loss)	(4,799)	1,033	N.M.
EPS (cents)	(2.62)	0.66	N.M.

### Balance Sheet

S\$ ('000)	30 Jun 15	30 Jun 14	Change (%)
Total Assets	62,247	58,774	5.9
Total Liabilities	17,444	7,809	123.4
Cash and Cash Equivalents	21,701	26,604	(18.4)

# FINANCIAL REVIEW

## Q1 FY2016 SNAPSHOT

### Income Statement

S\$ ('000)	Q1 FY2016	Q1 FY2015	Change (%)
Revenue	14,046	6,517	115.5
Gross Profit	3,436	619	455.1
Gross Profit Margin	24.5%	9.5%	15.0 ppt
Total Operating Expenses	(2,125)	(2,143)	(0.8)
Net Profit/(Loss)	1,224	(1,270)	N.M.
EPS (cents)	0.66	(0.70)	N.M.

### Balance Sheet

S\$ ('000)	30 Sep 15	30 Jun 15	Change (%)
Total Assets	67,538	62,247	8.5
Total Liabilities	23,560	17,444	35.1
Cash and Cash Equivalents	23,161	21,701	6.7

# FY2016 OUTLOOK

- Boat-building capacity has been aligned across both locations; completion of up to six Palm Beach boats in FY2016 should lead to improved margin efficiency
- Transition to factory-direct sales model will deliver better customer experience and significantly lower distribution costs
- Continued strengthening of USD against AUD and MYR are expected to contribute to better financial performance
- The Board of Directors expects the Group's FY2016 performance to improve significantly compared to FY2015
- The Group will continue to develop new boat designs, extend marketing efforts and streamline Group-wide internal efficiencies with a view to enhancing shareholder value





**THANK YOU**

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