

GRAND BANKS YACHTS LIMITED

INVESTOR BRIEFING
1 JULY 2022



IMPACT OF PANDEMIC ON PRODUCTION

- **Since 1 July 2021, Malaysian Govt repeatedly imposed movement restrictions, only eased in early 2022**
- **Restrictions disrupted manufacturing facility in Pasir Gudang, Johor, for about 3 months**
- **The Group was unable to recognise revenue during this period**
- **Costs of raw materials on average has increased ~9% amid the Russia-Ukraine conflict, disruptions to global supply chain & global inflation**
- **Long lead times have also disrupted production**
- **Increasing freight rates have disrupted supply chains and compressed margins**

HOW GRAND BANKS MITIGATED THESE CHALLENGES

- Strengthened workforce against COVID-19 by undertaking vaccination program/health procedures at Pasir Gudang yard
- Increased Base Prices 3 times in last 18 months to mitigate inflationary cost pressures
- Resumed participation in Boat Shows, supplemented by digital marketing and online engagement, with the addition of 3D boat tours and targeted marketing
- Operations fully resumed in mid-September 2021, and the Group saw a net profit turnaround for the nine months ended 31 March 2022 (“9M FY2022”)

ON THE BRIGHT SIDE

- **Robust demand for yachting, driven by border restrictions which prevented leisure trips**
- **As a result, high-net worth individuals were looking at yachts as an attractive alternative to travel**
- **Grand Banks' digital strategy allowed us to engage these individuals, enabling us to sell boats even as boat shows were cancelled**
- **Physical boat shows have since resumed, as many countries ease their travel restrictions, and the Group has progressively increased physical marketing activity**
- **As a result, the Group received 7 orders in 3Q FY2022 (24 boats for 9M FY2022)**

GRAND BANKS 85

- In March 2022, we debuted the Grand Banks 85 – our largest boat to date – at the Palm Beach International Boat Show
- GB85 uses proprietary V-Warp technology and lightweight carbon fibre
- Fuel efficient and uses significantly less fuel to achieve the same performance of other 85-footer yachts
- Received 3 orders for GB85 since the Group started taking



OUTLOOK



GROUP OUTLOOK

- For FY2022, demand for the Group's luxury yachts were high, despite the challenges of the pandemic
- Cost of materials, as well as freight rates, will continue to remain high, as geopolitical tension and supply chain disruptions show no signs of abating
- War, disruptions in supply chain, increase in interest rates, global inflation & economic uncertainties pose as challenges for FY2023
- Barring unforeseen cancellations, record high net order book (~2 years) will help ride out these challenging times
- Will announce unaudited full year FY2022 results in August 2022

THANK YOU • Q&A

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