



GRAND BANKS

GRAND BANKS YACHTS LIMITED
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Grand Banks Yachts Records Net Profit Before Tax of S\$2.9 Million for FY2022; Declares Dividend Amid Record High Orders

- 31 new orders recorded in FY2022, amid robust demand for luxury boats
- 2H FY2022 net profit before tax of S\$3.6 million, a sharp reversal from net loss recorded in 1H FY2022
- Despite gross profit for FY2022 declining 3.5% year-on-year, gross profit margin increased to 26.6% from 21.5% a year ago
- Proposes full-year final dividend of S\$0.005 per ordinary share

As at 30 June S\$'000	2H FY2022	2H FY2021	Change (%)	FY2022	FY2021	Change (%)
Revenue	41,409	42,616	(2.8)	75,177	96,061	(21.7)
Gross Profit	12,458	7,738	61.0	19,963	20,690	(3.5)
Gross Profit Margin (%)	30.1	18.2	11.9 ppt*	26.6	21.5	5.1 ppt
Total Operating Expenses	(8,789)	(7,904)	11.2	(17,289)	(15,513)	11.4
Net Profit Before Tax	3,630	401	805.2	2,948	5,643	(47.8)
Net Profit After Tax	4,708	244	1,829.5	4,014	4,226	(5.0)
Earnings Per Share (cents)	2.55	0.13	1,829.5	2.17	2.29	(5.0)

*ppt: Percentage Points

SINGAPORE, 29 August 2022 – Grand Banks Yachts Limited (“Grand Banks” or “the Group”) recorded a net profit after tax of S\$4.0 million for the financial year ended 30 June 2022 (“FY2022”), its seventh consecutive year of profitability, underscoring a strong recovery from earlier business disruptions due to pandemic controls in Malaysia. Amid record-high orders, the Group declared a final dividend of S\$0.005 per ordinary share (FY2021: S\$0.005).

The SGX Mainboard-listed builder of the prestigious Grand Banks, Eastbay and Palm Beach boats said net profit after tax for the six months ended 30 June 2022 (“2H FY2022”) amounted to S\$4.7 million (2H FY2021: S\$0.2 million), a sharp reversal from net loss after tax of S\$0.7 million in 1H FY2022. For FY2022, it recorded net profit after tax of S\$4.0 million, compared to S\$4.2 million a year ago.

The Group’s financial performance for the first half of FY2022 was impacted by a prolonged shutdown of almost two and a half months at the Group’s manufacturing facility in Pasir Gudang,

Johor, in compliance with the Movement Control Order (MCO) imposed by the Malaysian Government.

Revenue in 2H FY2022 declined 2.8% to S\$41.4 million from S\$42.6 million in 2H FY2021. Despite the lower top line, gross profit for 2H FY2022 increased 61.0% to S\$12.5 million from S\$7.7 million in 2H FY2021, mainly due to the absence of trade-in boat sales. Accordingly, gross profit margin increased to 30.1% from 18.2% in 2H FY2022 and 2H FY2021 respectively.

Grand Banks' net order book stood at a record high of S\$182.9 million as at 30 June 2022 (30 June 2021: S\$116.9 million), driven by 31 new boat orders for FY2022, and factory shutdowns which delayed production, reflecting robust demand for luxury boats as yachting remains an attractive alternative to leisure travel amid travel restrictions caused by the pandemic.

The Group participated in more physical boat shows following the easing of travel restrictions, leading to higher boat show expenses. Combined with increased marketing expenses, total operating expenses for FY2022 increased to S\$17.3 million from S\$15.5 million in FY2021.

Cash and cash equivalents stood at S\$36.3 million as at 30 June 2022, compared to S\$45.2 million as at 30 June 2021, mainly due to cash flows used in investing activities as the Group ramped up the development of new products, purchased new machinery and new property as well as upgraded its properties in the USA.

Despite shutdowns, the Group delivered earnings per share of 2.17 Singapore cents in FY2022 compared to 2.29 Singapore cents in FY2021, while net asset value per share increased to 34.38 Singapore cents as at 30 June 2022 compared to 32.97 Singapore cents as at 30 June 2021.

Barring further supply chain and production disruptions, the Group plans to increase its headcount to accelerate its production schedule and clear the backlog of orders. It will also continue to build bigger and sleeker luxury boat models with better fuel efficiency.

The Group is also closely observing the impact of rising interest rates on consumer demand in the short to medium term, and expects operating costs to increase, amid a sustained increase in freight costs due to prolonged disruptions of maritime supply chains and higher costs of raw materials.

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said: "Despite the various disruptions faced in 1H FY2022, Grand Banks closed our seventh consecutive profitable year, thanks to the efforts of the management team. The strong yachting market and return of boat shows present significant opportunity for Grand Banks, and we remain optimistic on the road ahead."

Mr. Mark Richards, CEO of Grand Banks, said: "Grand Banks made a strong recovery from the initial impact of the MCO imposed during 1H FY2022; we are proposing a final dividend of S\$0.005 per ordinary share to thank our shareholders for their support during this challenging period. We remain focused on growing our sales, as our yacht designs continue to gain popularity for their sleek designs and high fuel efficiency."

“That said, we are witnessing business uncertainty rise amid increasing global political tensions, higher interest rates, higher costs of raw materials and freight costs; we are closely monitoring the situation and will be ready to respond to ensure minimal business disruptions.”

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 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.palmbeachmotoryachts.com

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