

**GRAND BANKS YACHTS LIMITED**

(Company Reg. No.: 197601189E)

274 Upper Bukit Timah Road #03-16

Singapore 588213

## SGX-Listed Grand Banks Yachts' 3Q FY2018 Net Profit Surges to Nine-Year High of S\$1.9 Million

- Gross profit for 3Q FY2018 rose 162.7% to S\$5.0 million, outpacing revenue growth
- Fourth consecutive quarterly profit following redevelopment of Pasir Gudang yard and strengthening of global sales team
- S\$3.2 million net profit for 9M FY2018, a positive swing of S\$3.7 million from a S\$0.5 million net loss for 9M FY2017
- 20 orders received in 9M FY2018 compared to 19 for the whole of FY2017, bringing order book to S\$32.8 million

As at 31 March S\$'000	3Q FY2018	3Q FY2017	Change (%)	9M FY2018	9M FY2017	Change (%)
Revenue	23,836	13,192	80.7	65,501	38,800	68.8
Gross Profit	5,005	1,905	162.7	12,543	6,792	84.7
Total Operating Expenses	(3,243)	(2,534)	28.0	(9,580)	(7,374)	29.9
Profit/(Loss) from Operations	1,762	(629)	N.M.	2,963	(582)	N.M.
Net Profit/(Loss)	1,926	(1,109)	N.M.	3,222	(491)	N.M.

N.M. – Not Meaningful

**SINGAPORE, 14 May 2018 – Grand Banks Yachts Limited** (“Grand Banks” or the “Group”), announced today its net profit for the three months ended 31 March 2018 (“3Q FY2018”) surged to a nine-year high of S\$1.9 million, reversing last year’s S\$1.1 million net loss in a move that underscores the management’s execution capabilities under the leadership of CEO Mark Richards.

3Q FY2018 marks the SGX-listed luxury yacht manufacturer’s fourth consecutive quarterly profit following improved operational efficiencies at its redeveloped Pasir Gudang yard – such as newly implemented automation and enhanced production processes – as well as a stronger global sales team that has contributed to robust demand for the Group’s new boat models.

Grand Banks’ 3Q FY2018 gross profit surged 162.7% to S\$5.0 million (3Q FY2017: S\$1.9 million), outpacing revenue growth of 80.7% to S\$23.8 million (3Q FY2017: S\$13.2 million). This was due to the sale of two stock boats and a trade-in boat as well as more yachts reaching construction milestones for revenue recognition, following streamlined operations. The Group’s product mix in 3Q FY2018 also included bigger, higher-margin boats.

Grand Banks generated net cash of S\$3.1 million from operating activities in 3Q FY2018 compared with net cash outflow of S\$1.6 million in 3Q FY2017, primarily due to higher profits and lower inventories.

Earnings per share increased to 1.04 Singapore cents for 3Q FY2018 from a loss per share of 0.60 Singapore cent in 3Q FY2017. Net asset value rose to 26.83 Singapore cents as at 31 March 2018 from 24.54 Singapore cents as at 30 June 2017.

As part of ongoing efforts to drive growth, the Group will unveil new boat models in the coming months while increasing its international sales networks. In 3Q FY2018, it received five new boat orders, bringing its net order book to S\$32.8 million. For the nine months ended 31 March 2018 (“9M FY2018”), the Group received 20 boat orders, compared to 19 for the whole of FY2017.

The Group generated turnover of S\$65.5 million for 9M FY2018, up 68.8% from S\$38.8 million in 9M FY2017. Gross profit grew 84.7% to S\$12.5 million from S\$6.8 million over the comparative periods. 9M FY2018 net profit rose to S\$3.2 million from a net loss of S\$0.5 million in 9M FY2017, representing a positive swing of S\$3.7 million.

For 9M FY2018, the Group generated net cash of S\$1.3 million from operations, compared with S\$1.7 million used in operations a year ago. It ended 9M FY2018 with S\$11.3 million in cash and cash equivalents.

Mr. Mark Richards, CEO of Grand Banks, said: “Our commendable results affirm the hard work we have put in over the years and underscore our reputation as a renowned brand that appeals to yachtsmen worldwide. We are confident that the new models slated for launch over the next 12 months will contribute positively to our growing order book.”

Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said: “Our strategy to integrate the best of the world-class Grand Banks and Palm Beach brands has gained momentum and we are now reaping the fruits of our labour. We remain committed to growing our presence as a luxury yacht manufacturer and generating sustainable returns for our shareholders.”

In April 2018, Grand Banks’ Eastbay 44 made its Asian debut at the Singapore Yacht Show 2018. A lighter and more efficient evolution of its predecessors, the Eastbay 44 also marks Grand Banks’ re-entry into the European markets.

Grand Banks completed the S\$4.2 million acquisition of Stuart Yacht Corporation in Florida as announced on 10 May 2018, which now serves as its new U.S. headquarters. With 12 berths and 12,000 square feet of waterfront offices, shops and maintenance facilities, the marina will give the Group a new exhibition venue for its boats in the U.S., and help consolidate its presence in the world’s largest boat market.

Going forward, the Group will accelerate its growth by drawing on its enhanced production capabilities and strong demand for its yachts. In view of its 3Q FY2018 performance, it expects 2H FY2018 net operating profit to exceed that of 1H FY2018.

**## End of Release ##**

### **About Grand Banks Yachts Limited**

Grand Banks, a renowned manufacturer of luxury recreational motor yachts for 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 yards at Pasir Gudang, Johor, Malaysia, and Berkeley Vale, Sydney, Australia. The yachts, which range between 42 feet and 70 feet, have a reputation for impeccable quality that delivers an 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)

#### **Grand Banks Yachts Limited contact:**

Chiam Heng Huat, Chief Financial Officer  
274 Upper Bukit Timah Road #03-16, Singapore 588213  
Tel: (65) 6545-2929  
Chiam Heng Huat, [hhchiam@grandbanks.com](mailto:hhchiam@grandbanks.com)

#### **Investor/Media Relations contact:**

WeR1 Consultants Pte Ltd  
3 Phillip Street #12-01, Royal Group Building  
Singapore 048693  
Tel: (65) 6737-4844  
Ian Lau, [ianlau@wer1.net](mailto:ianlau@wer1.net)