



GRAND BANKS

GRAND BANKS YACHTS LIMITED

(Company Reg. No.: 197601189E)

274 Upper Bukit Timah Road #03-16

Singapore 588213

Grand Banks Yachts' Revenue Rises to S\$26 Million; Net Profit Increases 46.7% For 1Q FY2020

- Strong revenue was primarily due to completion of new luxury boats
- Net order book of S\$52.8 million as at 30 September 2019 with seven new orders

As at 30 September S\$'000	1Q FY2020	1Q FY2019	Change (%)
Revenue	26,047	21,610	20.5
Gross Profit	6,164	5,572	10.6
Gross Profit Margin (%)	23.7	25.8	(8.1)
Total Operating Expenses	(3,864)	(3,915)	(1.3)
Net Profit After Tax	1,681	1,146	46.7

SINGAPORE, 22 October 2019 – Grand Banks Yachts Limited (“Grand Banks” or the “Group”) announced today a quarterly revenue of S\$26.0 million – the highest in 10 years – which helped to lift its net profit by 46.7% to S\$1.7 million for the three months ended 30 September 2019 (“1Q FY2020”). It unveiled a net order book of S\$52.8 million on the back of seven new orders, reflecting strong demand for its luxury boat models.

This is a remarkable achievement by the Singapore Exchange Mainboard-listed builder of global boat brands, Grand Banks and Palm Beach boats. While 1Q FY2020 revenue of S\$26.0 million is twice that of S\$13.0 million for 1Q FY2017, net profit has jumped eight times from S\$201,000 to S\$1.7 million over the same corresponding period, marking the successful restructuring of operations.

Due to operating expenses remaining flat compared to 1Q FY2019 at S\$3.9 million, net profit margin rose to 6.5% from 5.3%. This is in spite of a decrease in gross profit margin from 25.8% to 23.7%, which was due to lower gross margin of a trade-in sale.

The Group utilised S\$0.3 million cash in operations for 1Q FY2020 compared to S\$5.7 million in 1Q FY2019, due to higher contract assets and receivables as well as lower contract liabilities. These were partially offset by the increase in profit and lower inventories.

Earnings per share for 1Q FY2020 came to 0.91 Singapore cent compared to 0.62 Singapore cent in 1Q FY2019. Net asset value per share was 31.05 Singapore cents as at 30 September 2019, an uptick from 29.91 Singapore cents as at 30 June 2019.

The Group is set to debut the Palm Beach 70, its largest yacht model to date, at the Fort Lauderdale International Boat Show in a week's time. This is the first of a line of bigger, sleeker, better performing boat models that Grand Banks plans to debut within the year, namely the Palm Beach GT60 and the highly anticipated Grand Banks 54.



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Mr. Heine Askaer-Jensen, Chairman of Grand Banks, said: "We are reaping the benefits of our attractive product programme and increased marketing efforts. This quarter saw record quarterly revenue and strong margins, which is an encouraging start to FY2020. As the year progresses, we will be pursuing a concerted marketing initiative, as we start to consolidate our sales and marketing operations in our service facility in Stuart, Florida, U.S."

Mr. Mark Richards, CEO of Grand Banks, said: "The post restructuring of our operations in the yards are bearing fruits. We are also benefitting from the market trend towards bigger boats and our latest boat models have received strong demand. With a stable pace of production, we look forward to delivering more quality boats to our customers."

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 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; www.pbmotoryachts.com

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