

Plymouth luxury yacht firm sails past 'pingdemic' to narrow losses

The UK's largest luxury boat builder Princess Yachts has almost halved its losses after turnover sailed past the previous year's total, despite "significant headwinds" for production such as the Covid-19 "pingdemic".

The Plymouth-based manufacturer, which sells yachts to a global network of independent distributors, reported revenue of £312.4m to the end of December 2021 – up from £244.4m in 2020.

Loss before tax stood at £19.2m, narrowed from £38.1m a year earlier.

In its latest set of accounts filed on Companies House, bosses as the firm said it benefited from maintaining "intensity" of product development as it launched three new models.

The company's order book grew from £400m in 2020 to around £700m last year, while retail sales rose to 316 yachts from 209.

The group said as of June this year almost all of its production over the next 12 months – and more than 85% over the next two years – were covered by an order.

Princess Yachts said turnover returned to pre-pandemic levels, with earnings before interest, taxes, depreciation and amortization (EBITA) – swinging to £13.3m from a loss of £6.8m in 2020.

This was despite "unpredictable employee absenteeism" during the third national Covid-19 lockdown, as well as "significant disruption" on supply and lead times through its global supply

chain.

The board's strategic report said while not repeating the full lockdown experienced in March 2020, "multiple waves" of staff were required to self-isolate due to contact tracing. It added that at peak "pandemic" last summer, 15% of its staff were off work, effectively closing some boat production lines.

Princess Yachts said in response to its "rapidly growing" order book it had launched an initiative called "Project 300". The company said it had invested in its facilities and processes to allow it to build up to 300 boats a year.

The firm, which employs around 3,000 people in Plymouth, said it has also introduced a new bonus scheme to incentivise staff to achieve target build cost for each boat produced.

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