



ROADSHOW PRESENTATION

18 MARCH 2025

ersonal use only



PRINCESS YACHTS

# DISCLAIMER

## THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR ADVERTISEMENT

This document, including the information contained in this disclaimer, is not a prospectus, product disclosure statement or other disclosure document and does not constitute, or form any part of, an offer to sell, or a solicitation of an offer to buy, the Shares. This document does not constitute an invitation, offer or recommendation to apply for or purchase the Shares and does not contain any application form for the Shares. This document does not constitute an advertisement for an offer or proposed offer of the Shares. Neither this document nor anything contained in it shall form the basis of any contract or commitment and it is not intended to induce or solicit any person to engage in, or refrain from engaging in, any transaction. No person is authorised to give information or make any representation in connection with any Public Offer which is not contained in this document. Any information or representation not so contained may not be relied on as being authorised by the Company, the Lead Manager or any person associated with them. This document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (Securities Act) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States absent registration under the Securities Act or in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities laws.

## DISTRIBUTION

Distribution of this document outside Australia may be restricted by law. Persons who come into possession of this document who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## NO LIABILITY

The Company has prepared this document based on information available to it at the time of preparation, from sources believed to be reliable and subject to the qualifications in this document. To the maximum extent permitted by law, Limited Parties accept no responsibility or liability for the contents of this document and make no recommendation or warranties concerning any Public Offer. No representation or warranty, express or implied, is made as to the fairness, accuracy, adequacy, validity, correctness or completeness of the information, opinions and conclusions contained in this document. To the maximum extent permitted by law, none of the Limited Parties accepts any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss whatsoever arising from the use of this document or its contents or otherwise arising in connection with it.

Neither of the Lead Manager, nor any of its affiliates, related bodies corporate (as that term is defined in the Corporations Act) and their respective directors, employees, officers, representatives, agents, partners, consultants and advisers have authorised, permitted or caused the issue, lodgement, submission, despatch or provision of this document, and none of them make or purport to make any statement in this document and there is no statement in this document which is based on any statement by them.

## PAST PERFORMANCE

Past performance information in this document is given for illustration purposes only and should not be relied upon as (and is not) an indication of future performance. Actual results could differ materially from those referred to in this document.

## FORWARD-LOOKING STATEMENTS

Certain statements, beliefs and opinions contained in this document, particularly those regarding the possible or assumed future financial or other performance of the Company, industry growth or other trend projections are or may be forward looking statements. Forward-looking statements can be identified by the use of 'forward-looking' terminology, including, without limitation, the terms 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'plans', 'propose', 'goals', 'targets', 'aims', 'outlook', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future, assumptions which may or may not prove correct, and may be beyond the Company's ability to control or predict which may cause the actual results or performance of the Company to be materially different from the results or performance expressed or implied by such forward-looking statements. Forward-looking statements are based on assumptions and contingencies and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved. Similarly, no representation is given that the assumptions upon which forward looking statements may be based are reasonable. None of the Company, the Lead Manager or any other Limited Party, makes any representation or warranty as to the accuracy of any forward looking statements contained in this document. Forward-looking statements speak only as at the date of this document and the Limited Parties disclaim any obligations or undertakings to release any update of, or revisions to, any forward-looking statements in this document. All dollar values contained in this document are in Australian dollars (A\$) unless otherwise stated.

## NOT FINANCIAL PRODUCT ADVICE

No attempt has been made to independently verify the information contained in this document. You should make your own assessment in considering an investment in the Company and should not rely on this document. In all cases, you should conduct your own investigations and analysis of the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of the Company and its business, and the contents of this document. This document is not, and should not be construed as, a recommendation by the Company, related bodies corporate (as that term is defined in the Corporations Act), or any of their respective officers, employees, directors, shareholders, partners, representatives, agents, consultants or advisers or any other party referred to in this document (each a **Limited Party** and, together, the **Limited Parties**) to invest in the Company. The information in this document is of a general nature and does not constitute financial product advice, investment advice or any recommendation. Nothing in this document constitutes legal, financial, tax or other advice. The information in this document does not take into account the particular investment objectives, financial situation or needs of any person. You should seek legal, financial, tax and other advice appropriate to your jurisdiction.

# Our products and markets

World's best technology with large target markets, using automation and robotics to manufacture efficiently in Australia

## Propulsion

- World's best performing propellers
- Export globally
- Key customers are the world's leading boat builders

Market: Estimated propeller market size of US\$2.6bn including US\$0.3bn of new vessels each year

Future:

- Facility expansion
- SHARROW by VEEM
- Shaftlines
- Other associated products

## Gyrostabilisers

- Only major supplier of large gyros
- Large barriers to entry
- Market exists for commercial, defence and recreational uses
- International network of technicians

Market: Estimated market size of US\$1.1bn for new builds and US\$13.5b for retrofits (current fleet)

Future:

- Mark III – Further improvements
- Deeper penetration into commercial market
- Adoption escalation similar to smaller recreational gyros

## Defence

- Defence supplier for over 30yrs
- Enhanced security rating in FY24
- Sticky reliable revenue
- Hunter qualification expected 2HFY25

Market: Defence spending accelerating across the western world

Future:

- Hunter Class Frigate opportunities
- Overseas T26 programs
- USA submarine potential – pre AUKUS
- AUKUS opportunities – Aus, US, UK
- General increase in sovereign defence capacity and capability

## Engineering

- Foundry led, precision-engineered products
- Over 250 Alloys available
- Highly accredited ISO9001; 14001; 450001; 27001; NATA and more

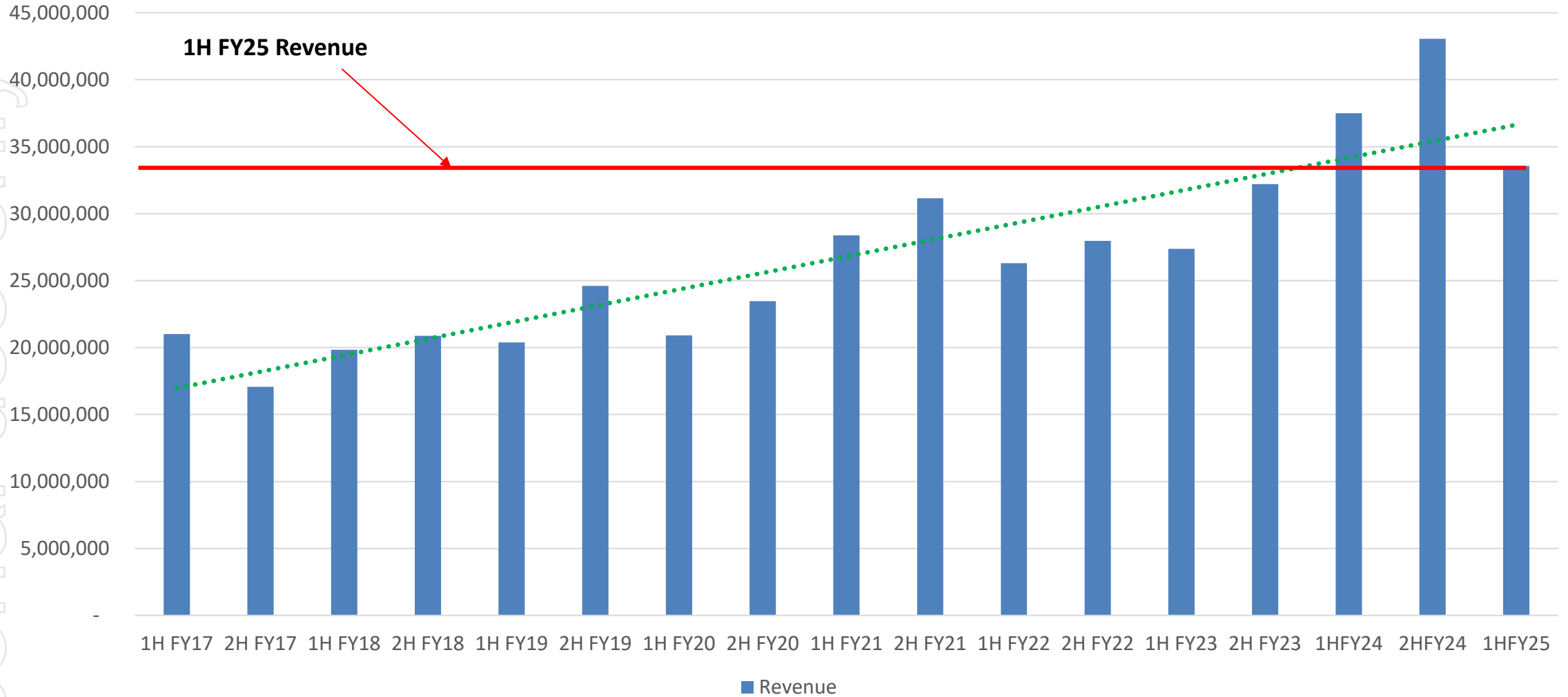
Market: Infrastructure, oil and gas, mining and commercial clients. Mostly domestic.

Future:

- VEEM products such as Hollow Bar pushing into new markets
- Increase in sovereign capacity and capability

# Demonstrated long-term growth, just not linear

## Half Yearly Revenue Trend Since Listing



ersonal use only

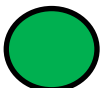
# 1HFY25 Revenue

Gearing up for a busy second half

	<b>1HFY25 Revenue A\$mil.</b>	1HFY24 Revenue A\$mil.	1HFY25 comments.
Propulsion	<b>14.3</b>	16.1	Big backlog in 1HFY24. Large contracts delayed to 2HFY25.
Gyrostabilisers	<b>3.3</b>	5.0	Strategic Marine orders pulled forward into FY24 – new clients won.
Defence	<b>7.3</b>	8.6	ASC cyclical orders due to submarine sustainment.
Engineering Products & Services	<b>8.7</b>	7.8	Increased work to fill capacity from defence cycle. Low margin on new complex jobs anticipated to recover on new repeat orders won.
<b>Total</b>	<b>33.6</b>	<b>37.5</b>	FY24 was a record year for revenue and profits. FY25 an in-between year.

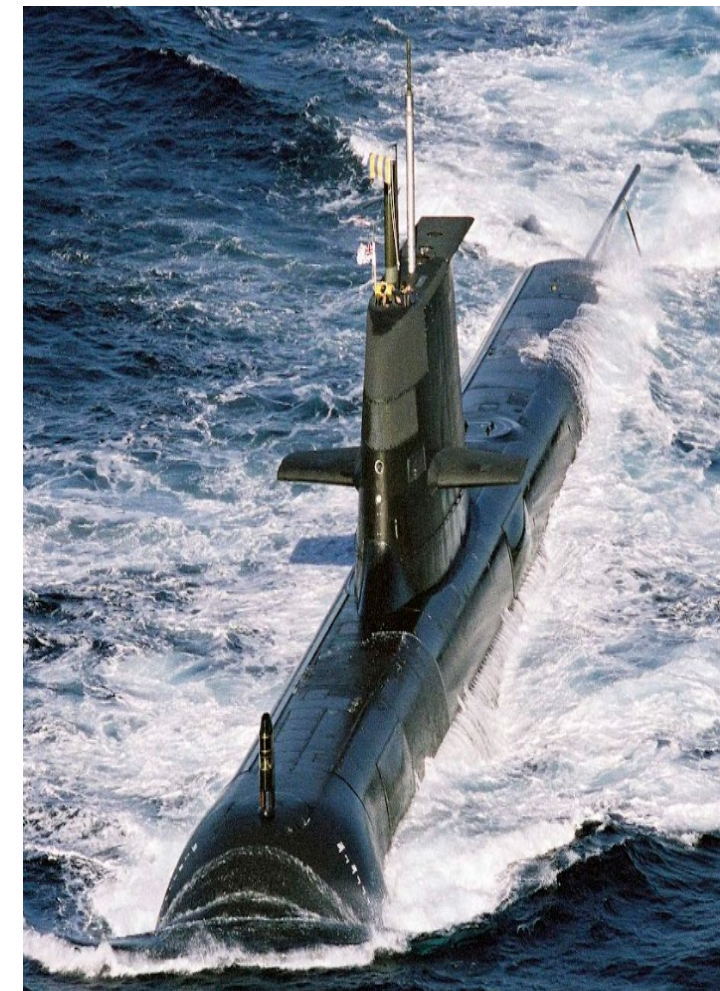
# Looking ahead

All products firing with strong long-term prospects

		2HFY25 and beyond comments
Propulsion		High visibility with orders in hand well ahead of prior period.
Sharrow Propellers		Acceleration plan agreed. Sharrow target is 75 vessels in 12 months. Some revenue in FY25, mostly in FY26.
Gyrostabilisers		Orders in hand already higher than 1HFY25 sales with more anticipated. Impactful Mark II released. Mark III coming.
Defence		USA defence looming. Type 26 (Hunter class) global potential. Next submarine refit in planning.
Engineering Products & Services		Repeat orders received for low margin 1HFY25 projects expected to contribute higher margins in 2HFY25. Hollow bar still growing.

# 1HFY25 Highlights

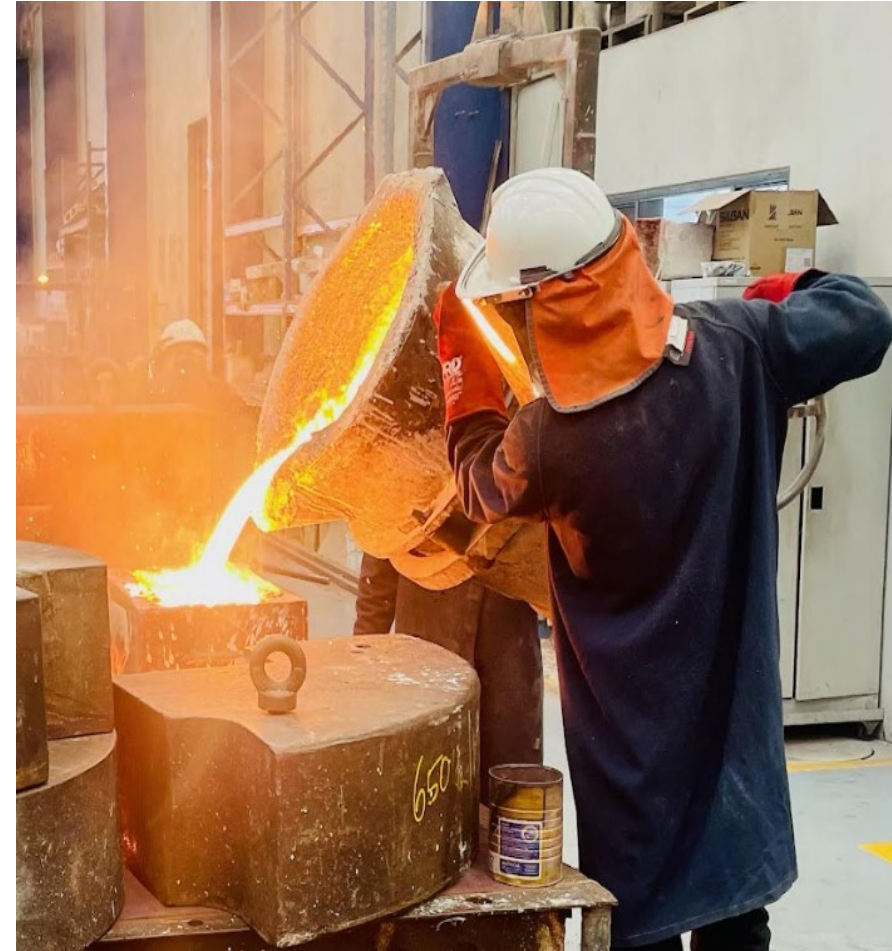
Revenue \$33.6m (Guidance \$33m-\$35m)	Total Activity <sup>1</sup> \$34.5m	EBITDA \$3.9m (Guidance \$3.4m-\$4m)
EBITDA Margin 11.7%	EBIT \$1.6m	NPAT \$1.0m (Guidance \$0.4m-\$1.2m)
Operating Cashflow \$1.8m	EPS 0.75cps	Interim Dividend 0.23c



1. Total Activity = Sales + change in WIP

# Executive Summary

- VEEM 1HFY25 result at upper end of guidance released to the market in December.
- 2HFY25 is expected to have increased revenue and margins.
- Agreement signed with Sharrow Engineering for the acceleration of the rollout.
- Gyro sales for the half-year were \$3.3m with orders in hand of \$2.4m at 31 December 2024.
- New gyro orders received since 31 December 2024 are \$2m.
- Cashflow from operations was \$1.8m and expected to improve 2HFY25.
- Revenue from the submarine program was \$4.7m with total defence revenue of \$7.3m – in between submarine refits.
- VEEM awarded \$1m defence grant for multi-axis CNC machine and scanner. Ordered in Dec 2024.
- Management Succession implemented with appointment of CEO, CFO, COO and CIO.
- Positive outlook for propulsion means expansion of existing footprint of the propeller facility.





## FINANCIAL RESULTS

ersonal use only



PRINCESS YACHTS

# 1HFY25 Profit

## Gearing up for a busy second half

- Work in Progress +\$0.9m for \$34.5m of activity for 1HFY25.
- ASC revenue –in between year for re-fits. FY24 was very high at \$16m.
- Engineering products and services revenue +22%. Margins expected to improve in 2HFY25.
- Propeller revenue solid:
  - 1) 1HFY24 benefited from working through the backlog.
  - 2) Delayed orders to be fulfilled in H2FY25.
- Gyro sales - \$3.3m. Accelerated Strategic Marine contract completed. Increased variety of customers in FY25.

	<b>1HFY25 A\$mil.</b>	1HFY24 A\$mil.
Revenue	<b>33.6</b>	37.5
EBITDA*	<b>3.9</b>	6.9
Profit before Tax	<b>0.9</b>	3.9
Net Profit after Tax (NPAT)	<b>1.0</b>	3.5
Earnings Per Share (EPS)(cents)	<b>0.75</b>	2.58

\*EBITDA is earnings before interest, tax, depreciation and amortisation.

# Balance Sheet

## Continued investment in product and process development

- Cash on hand of \$0.3m at 31 Dec 2024 (30 June 2024: \$0.2m)
- Bank facilities renewed on existing terms with overdraft increased to \$4m.
- Cash position expected to improve in 2HFY25 with increased EBITDA generation.
- Capex of \$1.0m consisted of equipment and tooling for propellers and \$1.1m in intangibles predominantly for gyro development.

	<b>31 Dec 2024 A\$mil.</b>	30 June 2024 A\$mil.
Current Assets	<b>39.6</b>	39.3
Non-Current Assets	<b>54.5</b>	54.7
<b>Total Assets</b>	<b>94.1</b>	94.4
Current Liabilities	<b>18.5</b>	16.6
Non-Current liabilities	<b>23.5</b>	25.1
<b>Total Liabilities</b>	<b>42.0</b>	41.7
<b>Net Assets</b>	<b>52.1</b>	52.3
Retained earnings	<b>46.6</b>	46.6
<b>Total Equity</b>	<b>52.1</b>	52.3

# Cash Flow

Solid cash flow in 1HFY25 expected to improve in 2HFY25

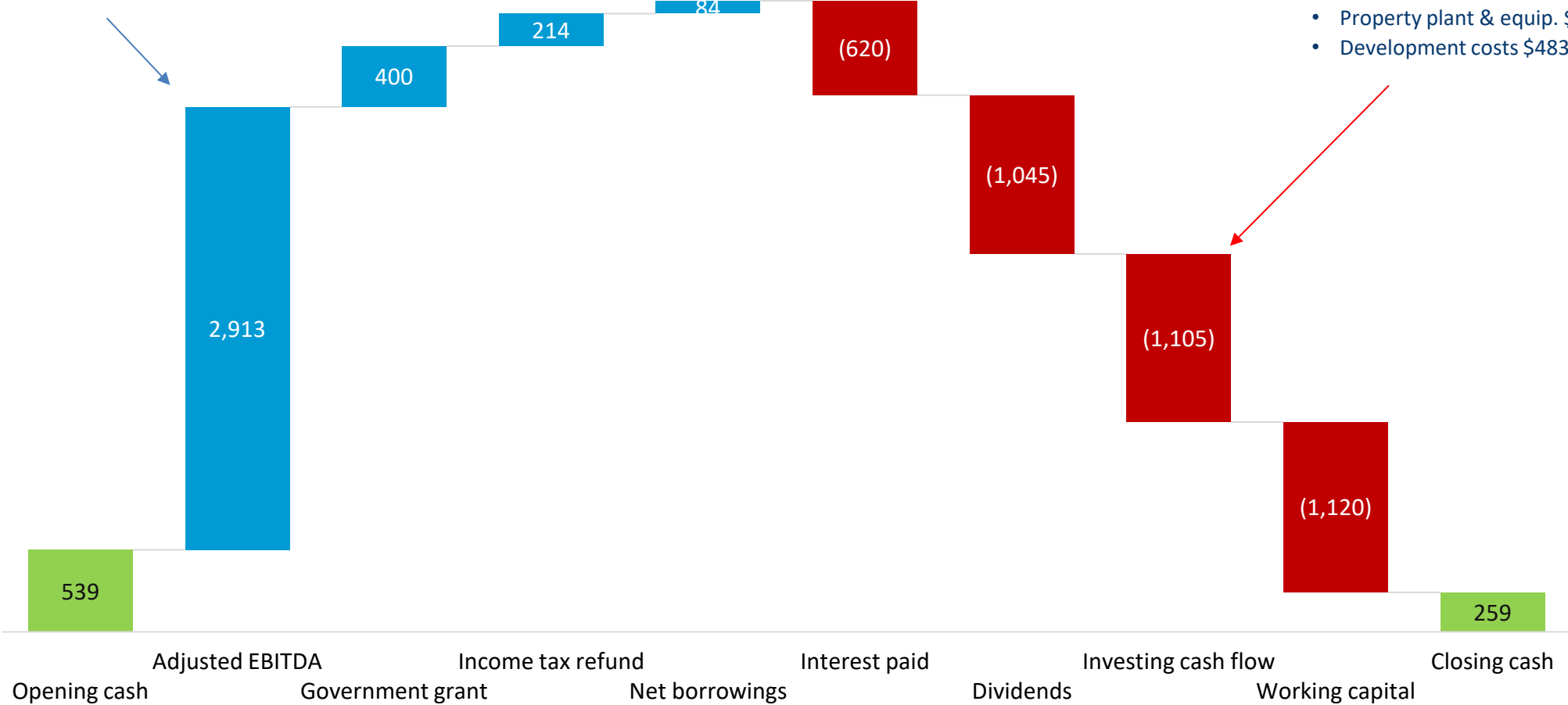
- Cashflow from operations was \$1.8m (1HFY24: \$3.6m) on lower revenue and margins in 1HFY25.
- Cashflow expected to improve in 2HFY5 due to improved EBITDA generation.
- \$0.4m received in relation to \$1m government grant awarded in December 2024.
- \$1m of HPs were repaid and there were \$0.3m of new HPs to fund asset additions.
- At 31 Dec 2024 total operating facilities of \$6.0m of which \$2.7m was unused.

	<b>1HFY25 A\$mil.</b>	<b>1HFY24 A\$mil.</b>
Cash flow from operations	<b>1.8</b>	3.6
Cash flow from investing activities	<b>(1.1)</b>	(1.3)
Cash flows from financing activities	<b>(0.9)</b>	(4.1)
Cash at end of period	<b>0.3</b>	0.6

# Cash Flows

**Statutory EBITDA** \$3,932k  
 Less AASB 16 leases \$1,019k  
**Adjusted EBITDA** \$2,913k

**Investing**  
 • Property plant & equip. \$622k  
 • Development costs \$483k



Personal use only

**VEEM**

**OUTLOOK**

ersonal use only



PRINCESS YACHTS

# Outlook

## Accelerating Growth: A Stronger 2HFY25 and Beyond

### Propulsion

- Momentum from FY24 to continue with increased orders on hand.
- Expansion of Volvo scope.
- New contracts with three large Italian superyacht builders.
- Expansion of offerings including shaftlines, flow-aligned rudders and brackets.
- Positive outlook with facility expansion and two new machines on order.
- Sharrow's accelerated development target is for 75 vessels to be installed with a SHARROW by VEEM in the next 12 months

### Gyrostabilisers

- Attendance during Europe and US boat show season and new agents have resulted in increased enquiries.
- Mark II released into the market with 5 year warranty will stimulate sales.
- Leads received highlight increased understanding of the benefits of a VEEM gyro.
- Revenue growth expected, supported by:
  - Increased global technical service support
  - further product improvements (Mark III)

### Defence

- New orders anticipated from ASC in H1FY26.
- Other defence work for prime contractors (including Austal) expected to continue.
- Qualification for T26 (Hunter Class Frigate) Program in 2HFY25 will provide leverage to pursue more opportunities.
- VEEM is positioned to take advantage of further opportunities that arise out of:
  - Pre- AUKUS USA submarine program.
  - AUKUS and other defence programs.

### Engineering

- Demand for the traditional engineering products and services is expected to continue.
- Hollow bar still growing.
- Benefiting from a shortage of sophisticated foundries in Australia.
- Margins expected to improve in 2HFY25 from repeat work.

This ASX announcement was authorised for release by the Managing Director of VEEM Limited.

ersonal use only



### Contact

**Mark Miocevich**  
Managing Director  
+61 8 9455 9355

**Tino Kapfumo**  
Chief Financial Officer  
+61 8 9455 9355

**Jonas Fitzgerald**  
Investor Relations  
[jonas.fitzgerald@lgcapital.com.au](mailto:jonas.fitzgerald@lgcapital.com.au)  
+61 427 104 488

 @VEEM\_Ltd

 VEEM\_Ltd

