



ASX ANNOUNCEMENT
17 JULY 2017

VEEM REPORTS PRELIMINARY UNAUDITED RESULTS

Marine propulsion and gyro stabilisation company, VEEM Ltd (ASX: VEE) ('VEEM' or 'the Company'), is pleased to report that its unaudited FY17 Normalised Profit before Tax¹ is \$6.14 million, compared to Prospectus Forecast of \$5.86 million. The result was due to a strong second half Gross Profit of \$21.6 million (56.7% margin) compared to the Prospectus Forecast of \$20.8 million (44.5% margin). Revenue for FY17 was \$38.05 million.

The Company is pleased that it has largely been able to offset the previously announced overrun in IPO costs and is expected to record a Statutory Net Profit after Tax ('NPAT') in line with the Prospectus Forecast of \$4.01 million.

The full year audited results with definitive tax positions will be available towards the end of August 2017.

The Company also expects to maintain its dividend policy as set out in the Prospectus of a pay-out ratio of 30% of NPAT for FY17. Further details will be announced upon the declaration of the dividend at the time of the Company's lodgement of its full year audited results.

VEEM sold six of its VG120 gyrostabilizer units in FY17 which was below Prospectus Forecast, however, the Company continues to receive many high-quality enquiries from the super yacht, commercial and defence sectors. Gyro production during the year remained strong resulting in an increase in inventories of both the VG120 and VG260 gyros. The fleet of VG120 gyros are performing to specification and provide a reference point for current enquires.

VEEM Managing Director Mr Mark Miocevic commented; *"We are very pleased with the performance of the Company in its first-year reporting as a public company. We have established a long history of reporting profits and returns to shareholders as a private company, and our focus during FY2017 was to remain focussed on the operations, maintain cash flow disciplines, and to execute the Company's strategy as set out in the Prospectus. Whilst Gyro sales were slower than expected, VEEM remains confident in achieving sales traction in the short to medium term for this world leading product in marine stabilisation".*

¹ Profit before tax less one off IPO Costs and share registry expenses

		FY17	
		Preliminary Unaudited Actual	Prospectus Forecast
Operating Revenue	A\$million	38.05	46.77
Gross Profit	A\$million	21.59	20.80
Gross Profit Margin	%	56.7%	44.5%
Pro Forma EBITDA (1)	A\$million	7.81	7.84
Pro Forma EBITDA Margin	%	20.5%	16.8%
Pro Forma EBIT (2)	A\$million	6.37	6.02
Normalised PBT (3)	A\$million	6.14	5.86

(1) Earnings Before Interest Depreciation and Amortisation before once off IPO Costs

(2) Earnings Before Interest before once off IPO Costs

(3) Profit Before Tax before once off Initial Public Offering costs of approximately \$1.5 million

ENDS

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About VEEM

VEEM is a Western Australian company established in 1968 and has become a world leader in the manufacture of bespoke marine propellers and assemblage for luxury and commercial marine craft.

The Company has a strong track record of performance, having delivered stable and consistent earnings over many years, building its reputation for quality, efficiency and ability to deliver innovative products globally.

VEEM's patented gyrostabilisers have been developed over the past five years and eliminate most of the rolling motion of vessels at anchor, drifting, alongside or transiting. These products are now selling into the global marine market and are expected to generate significant sales growth for the Company in the future, displacing cumbersome and less effective stabilisation fins currently in use.