



VEEM Ltd

Annual General Meeting

26 November 2019



# Managing Director's Presentation

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# Overview

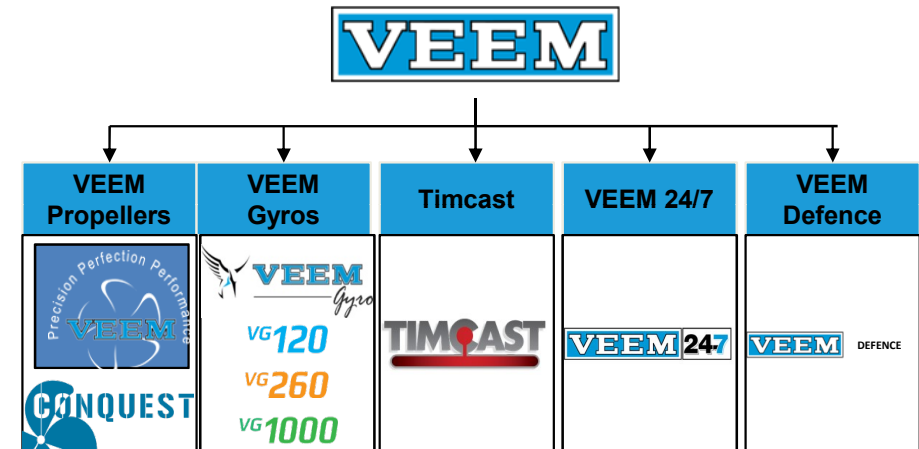


VEEM Ltd is a high-technology manufacturer of stabilization and propulsions systems.

- **VEEM is a company that is:**
  - An established and highly regarded industry leader with disruptive technology.
  - Passionate about design and engineering excellence.
  - Financially strong with a long history of profitability.
  - A long term investor in R&D and technology.
- **VEEM Gyros make traditional fin systems redundant:**
  - Provides powerful stabilization across the entire speed range.
  - Dramatically reduces noise of stabilization.
  - Improves hull efficiency due to being contained inside the hull (no drag).

An industry disrupter and a revolution for boat owners and builders!
- **VEEM Propellers with patented features and full CNC machining:**
  - Speeds of over 50 knots are now achievable with conventional propellers (up from 35 knots).
  - No need for high speed Surface Piercing Propellers or Water Jets in the future.
  - No need to lift boats to adjust propellers.

An industry disrupter and a revolution for boat owners and builders!





# Company Overview



## The VEEM Board

**Brad Miocevic**  
Chairman

**Mark Miocevic**  
Managing Director & CEO

**Ian Barsden**  
Non-Executive Director

**Mike Bailey**  
Independent Non-Executive Director

**Peter Torre**  
Independent Non-Executive Director

## VEEM Key Management

**David Rich**  
Chief Financial Officer  
Co Company Secretary

**Tracy Caudwell**  
Finance and Admin Manager  
Co Company Secretary

**Bruce Bell**  
Commercial Manager

**Steven Vidakovic**  
Business Development Manager-

## VEE

ASX Code

## \$0.545

Share Price

## \$70.85 million

Market Capitalisation

## 130 million

Shares on Issue

# OUR BUSINESS





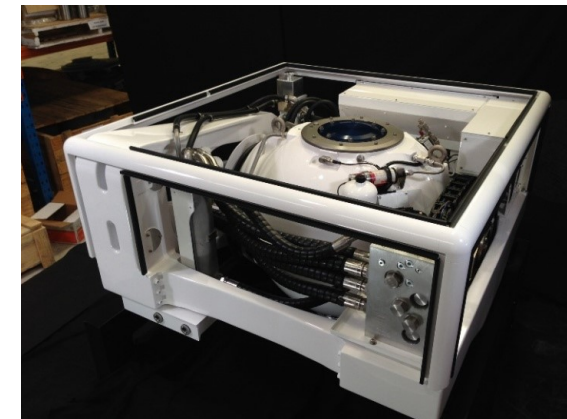
# Gyroscopic Stabilizers



VEEM Gyros stabilize vessels across the entire speed range and all sea conditions.

## VEEM Gyro Range

Size	Model	Torque	Boat size (approx. per 1 unit)
Small	VG120SD	120k Nm	25 to 30m
Small	VG145SD	145k Nm	30 to 35m
Medium	VG260SD	260k Nm	35 to 45m
Large	VG1000SD	1,000k	45 to 60m



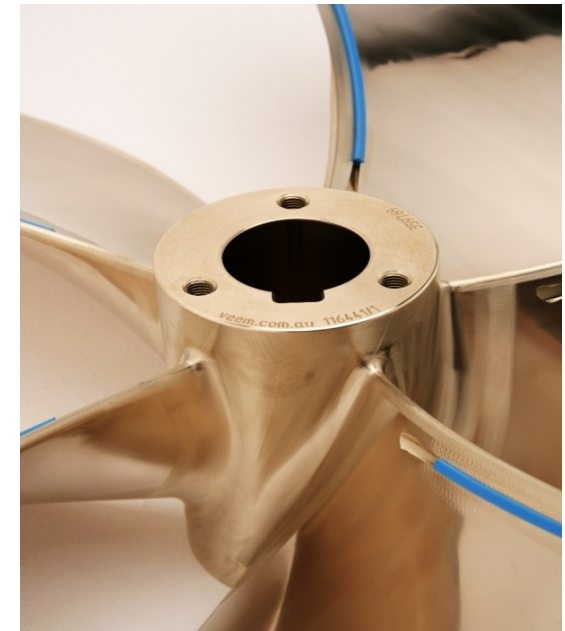
## VEEM Gyro's demanding standards

- Designed for long life to suit commercial applications.
- Able to be used at all speeds and sea conditions, including at rest.
- Able to be maintained entirely inside the vessel.
- Able to be used alongside accommodation areas.
- Global manufacturing model.

# VEEM Propellers



- **World's most advanced CNC fixed pitch propellers.**
  - Able to operate at higher speeds - up to 54 knots.
  - Significantly smoother and quieter in operation.
  - More fuel efficient.
- **VEEM patented "Interceptor" pitch changing technology.**
  - Eliminates the expense of lifting boats out of the water to adjust propeller pitch.
  - Maintain accuracy of blade profile when adjustments are made.
- **World's most advanced fixed pitch propeller manufacturing facilities.**
  - CNC machined up to 4.6m in diameter.
  - Robotically produced patternless molds.
  - 24 hour, "lights off" CNC machining.
- **Advanced CRM system.**
  - Automated quoting, ordering and production programming.
  - Full production status tracking (including freight) for customers.
- **The Conquest propeller range**
  - Developed to specifically meet the demands of the replacement propeller market.
  - 61 dealers and stockists around the world and over 1000 units manufactured since May 2017.
  - Two new series introduced and diameters increased to 1.3m to meet demand.



Fully CNC machined VEEMStar propeller with Patented Interceptor pitch adjustment system

# Propulsion Packages



Shaftline packages now moving into commercial phase.

- New software to auto calculate, design and draw shaft lines completed and in use.
- Software provides minimal cost designs for shaft lines to all major surveying authorities.
- Opportunity to provide a new disruptive technology for boat builders. Low drag, bespoke for each customer.





# FY19 FINANCIAL RESULT





# FY19 FINANCIAL RESULT



FY19 was another productive and profitable year for VEEM Ltd.

- Due to the cyclical nature of the submarine refit program, revenue for FY2019 was impacted by lower sales in this area, however other sales in the Company's traditional services resulted in total sales for the year being higher than 2018.
- 2019 results include approx \$950k in marketing, advertising and travel costs associated with the development of the VEEM gyro and the company's test vessel. The benefit of increasing the marketing spend will be seen by the increase in sales for 2020.
- Whilst revenue was higher in FY2019 against the prior year corresponding period, GP margins were lower due to the nature of some of the work undertaken.
- The continued operating profitability allowed the Board to maintain its dividend policy of declaring a final fully franked dividend in respect to FY19.
- Corporate capability enhanced by the recent appointment of David Rich as CFO.

	FY18	FY19
Operating Revenue	\$40.71m	\$44.9m
EBITDA	\$4.92m	\$4.39m
Statutory NPAT	\$2.76m	\$2.23m
EPS	2.12c	1.72c
Net Assets	\$29.4m	\$31.1





# MARKET UPDATE





# Market Update



## VEEM Gyros

- \$5,400,000 AUD orders currently in hand for delivery this financial year.
- First VG1000SD, our largest gyro, to Damen Ships to be delivered Jan 2020.
- Inquiries have change from what is it? To what size do I need and how much?
- Seeing repeat orders commencing - Van de Valk, West Port, Couach.
- VEEM sales strengthened with appointment of Dan Fisher as Marine Sales Manager and Jamie Robinson as Defence and Commercial BDM (consultant).





# Market Update cont.



## **Defence**

- Full cycle submarine docking valve orders expected next month.
- Pacific Patrol Boat shaft line won, tender process underway with OPV, Future Frigate and new Subs. Pre qualified on all defence projects.
- Fin ride control and defence work load is strong for FY2020.

## **Propulsion**

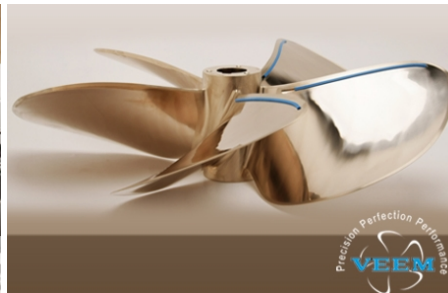
- Shaft line sales increasing, capital equipment program can commence.
- New marine accessories are cementing VEEM as the industry leader.
  - VEEM propeller scanning machine is now available.
  - VEEM propeller installation tool due second quarter 2020.

# Summary



Goal is total world domination for marine propulsion and gyro stabilization

- Market traction and engagement with key OEMs growing, Gyro orders at \$5.4M AUD FYTD and expected to increase.
- Defence component remains strong – PPB contract award, VEEM pre qualified and tendering on all projects. Future Frigate, submarine tendering, OPV.
- Propulsion and propeller business continues to grow. Cross selling emphasized on marine sales.
- FY20 work load and pipeline looks very strong. ASC submarine refit, continued Austal, Gyro sales.





**VEEM**

**ASX : VEE**

