



## VEEM REPORTS STRONG PROFIT GROWTH FOR 1HFY24 NPAT UP 92% TO \$3.5M

### Highlights of the financial results for the six months to 31 December 2023:

- VEEM's revenue for the half-year was \$37.5m up 37% on 1HFY23 with total activity (Sales + change in WIP) for 1HFY24 of \$39.7m.
- EBITDA and NPAT were \$6.9m and \$3.5m, up 65% and 92% respectively on 1HFY23.
- Cashflow from operations was \$4.4m, up 203% on 1HFY23.
- EPS of 2.58 cents per share, up 92% on the prior period.
- Gyro sales for the half-year were \$5.0m, up 200% with orders in hand of \$9.2m.
- Agreement signed with Sharrow Engineering for the exclusive worldwide licence to manufacture and sell Sharrow designed propellers for inboard vessels.

VEEM Limited (ASX: VEE) ('VEEM' or 'the Company'), a designer and manufacturer of disruptive, high-technology marine propulsion and stabilisation systems for the global luxury motor yacht, fast ferry, commercial workboat and defence industries, is pleased to report its financial results for the half-year to 31 December 2023.

The company declared an interim unfranked dividend of 0.77 cents per share for the year ended 30 June 2024.

VEEM's revenue for the half-year was \$37.5m (up 37% on 1HFY23) with total activity (Sales + change in WIP) of \$39.7m (up 24% of 1HFY23) on the back of increased job hours.

EBITDA and NPAT were \$6.9m and \$3.5m, up 65% and 92% respectively on 1HFY23. Cashflow from operations was \$4.4m, up 203% on 1HFY23. These amounts include non-recurring costs in relation to the Sharrow Project of \$0.5m.

Gyro sales for the half-year were \$5.0m with orders in hand of \$9.2m on the back of Strategic Marine accelerating their gyro purchases, now requiring all 12 ordered gyros in FY24.

Agreement signed with Sharrow Engineering for the exclusive worldwide licence to manufacture and sell Sharrow designed propellers for inboard vessels for at least 17 years. The propellers will be branded SHARROW by VEEM. VEEM expects contractual performance acceptance testing to be completed in the coming weeks.

The increased propeller capacity installed late in FY23 was utilised early in the half to reduce the order backlog in propellers. Subsequently propeller sales have stabilised with revenue of \$16.5m for the half, up 41% on 1HFY23.

Revenue from the submarine program was \$6.2m for the half-year with total defence revenue of \$8.6m. In addition there was milestone invoicing of the Hunter Class demonstrator project.

Strong cash flow allowed net debt reduction of \$2.0m after capex of \$2.6m (incl. intangibles). R&D spend for the period was \$2.3m.



In October 2023, Mr Tony Elms was appointed Chief Technical Officer for marine products. Mr Elms has had a rich history in the marine sector across the world – particularly with gyrostabilisers and propulsion.

**VEEM Managing Director Mark Mioceovich said:** “Having NPAT almost double for the first half of FY24 is a great result for VEEM. This comes on the back of a 37% increase in revenue which was driven by increased work hours, productivity and the additional propeller capacity.

“Currently the outlook for the rest of FY24 is that the business will continue to deliver a similar revenue and profit outcome for the second half. Orders remain strong and we are confident that our worked hours and productivity will remain at the levels of the first half.”

*This ASX announcement was authorised for release by Mark Mioceovich, Managing Director of VEEM Limited.*

**Further information:**

VEEM Managing Director  
**Mark Mioceovich**  
+61 8 9455 9355

CFO & Company Secretary  
**David Rich**  
+61 8 9455 9355

IR Consultant, Lancaster Grove Capital  
**Jonas Fitzgerald**  
+61 (0) 427 104 488  
[Jonas.fitzgerald@lgcapital.com.au](mailto:Jonas.fitzgerald@lgcapital.com.au)

**ABOUT VEEM LIMITED (ASX: VEE)**

VEEM Ltd is a designer and manufacturer of disruptive, high-technology marine propulsion and stabilisation systems for the global luxury motor yacht, fast ferry, commercial workboat and defence industries. VEEM’s market leading Gyrostabilisers significantly reduce the rolling motion of vessels in waves, increasing on-sea time and improving personnel safety and efficiency in a wide range of ocean conditions.

VEEM is also a successful producer of high-performance propellers, fin systems and specialised components delivering consistent profits, cash flow and dividends while also reinvesting in research and development for new products and processes.

Proudly headquartered in Perth, Western Australia, VEEM operates from a 14,700 sqm purpose-built fabrication and manufacturing facility, including Australia’s largest non-ferrous foundry. VEEM employs approximately 200 staff in Australia, including graduates and apprentices, and maintains a highly skilled research and development team in-house. Celebrating its 50th anniversary in business in 2018, VEEM listed on the Australian Securities Exchange in 2016. [www.veem.com.au](http://www.veem.com.au)

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