

SUPERYACHT UK SURVEY 2014/15

1. EXECUTIVE SUMMARY

Superyacht UK has carried out its ninth annual survey for 2014/15 of its membership to determine year-on-year trends. Superyacht UK, a dedicated association of British Marine, represents over 200 members and 70% of the total UK industry operating in the design, build, supply chain and service provision of yachts over 24 metres in length.

This latest estimate for the total Superyacht industry revenue is £542 million in 2014/15 which is +10.2% on the previous year. This compares favourably to 2013/14 when the year-on-year difference was +7.1%.

Many of the economic trends in the Superyacht market are more positive for 2014/15 than reported this time a year ago. The trends had already reported an improvement during 2012/13 and this has progressed further, and the sector is now experiencing three consecutive years of strong growth.

The trends for workload and the value of the order book are significantly higher overall compared to the last survey, while revenue and profit levels have increased for a large majority of members. The proportion of new build compared to refit is consistent, and employee levels are stable. Future prospects had already risen in the last survey and a positive outlook continues for the large majority.

The key highlights from the latest Superyacht trends survey show that:

£542 m (+10.2%)	The value of the UK Superyacht industry in 2014/15 is now £542 million compared to £492 million in 2013/14. This is a +10.2% year on year difference which is more positive than the +7.1% the previous year, or the 3.9% growth posted in 2012/13, reflecting a third year of consecutive growth.
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£304 m	The UK Superyacht industry in 2014/15 contributed £304m in Gross Value Added to UK Gross Domestic Product. This is the first year that GVA has been calculated for the Superyacht industry.
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-ve	9%	Workload: 62% of members responding to the survey report a higher workload over the last 12 months compared to the same period a year ago, and fewer have experienced a lower workload (9%). This creates a net balance between positive and negative responses of +53% which is an increase on the results of the last survey when it was +46%.
	29%	
+ve	62%	

-ve	14%	Value of the order book: 60% have experienced a higher value of the order book during 2014/15 compared to last year and only 14% report a lower value (down from 21% in 2013/14). This results in a net balance of +46% which is a significant improvement on the last survey when it was +30%.
	26%	
+ve	60%	

-ve	14%
	31%
+ve	55%

Revenue: Following last year’s positive uplift, industry revenue has continued to increase, with 55% of members rating their revenue as higher than the same 12 months a year ago, compared to 48% in 2013/14. In 2014/15 only 14% rated it lower, compared to 22% the year before. This results in a net balance of +41, compared with the +26 reported in 2013/14.

-ve	18%
	34%
+ve	48%

Profits: Responses for profit levels continue to be positive, with 48% rating their profits higher than the same period a year ago, compared to 43% in 2013/14. Only 18% of members rated their profits lower, compared to 24% last year. This results in a net balance of +30%, a substantial increase on the +19% posted in 2013/14.

-ve	4%
	22%
+ve	74%

Future prospects: Members continue to be optimistic, with 74% feeling positive about the next 12 months, compared with 69% in last year’s survey. 4% of members responding to the survey rated their prospects negatively, approximately the same as the previous year (5%). This results in a net balance of +70%, compared with the +64% posted in 2013/14.

3,948 FTE Employees (+6.9%)

Employment: There are just under 4,000 full time equivalent (FTE) employees working in the sector during 2013/14 which is +6.9% from the previous year. Individual company workforce has remained stable for the majority (54%), for 35% it is higher and for 11% it is lower.

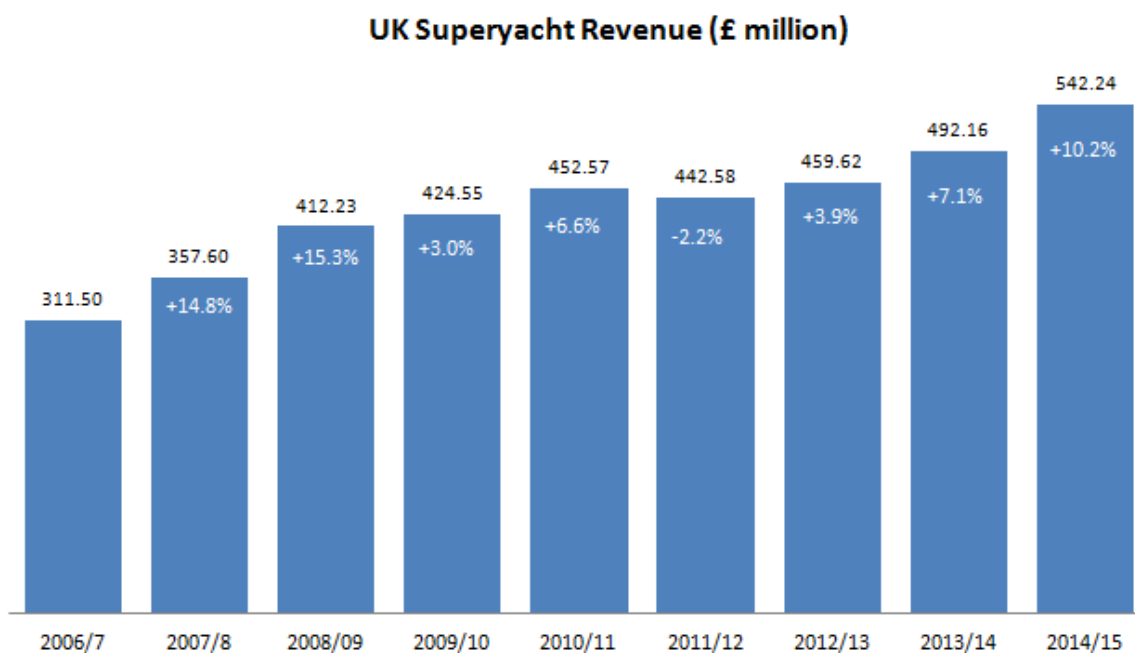
New build v refit: Following the increase in refit revenue reported in the last survey a year ago, this trend has continued, with 48% of Superyacht business occurring in new build and 52% in refit. The more even split between new build and refit business this year compares to a split of 57:43 in 2013/14.

2. DETAILED RESULTS

2.1 UK Superyacht revenue over time

The value of the UK Superyacht industry in 2014/15 is £542 million compared to just over £492 million in 2013/14, with a year on year difference of +10.2%.

This is the third year of consecutive growth following +7.1% growth in 2013/14 and +3.9% growth in 2012/13, a positive indicator showing the UK’s Superyacht industry is on the rise.

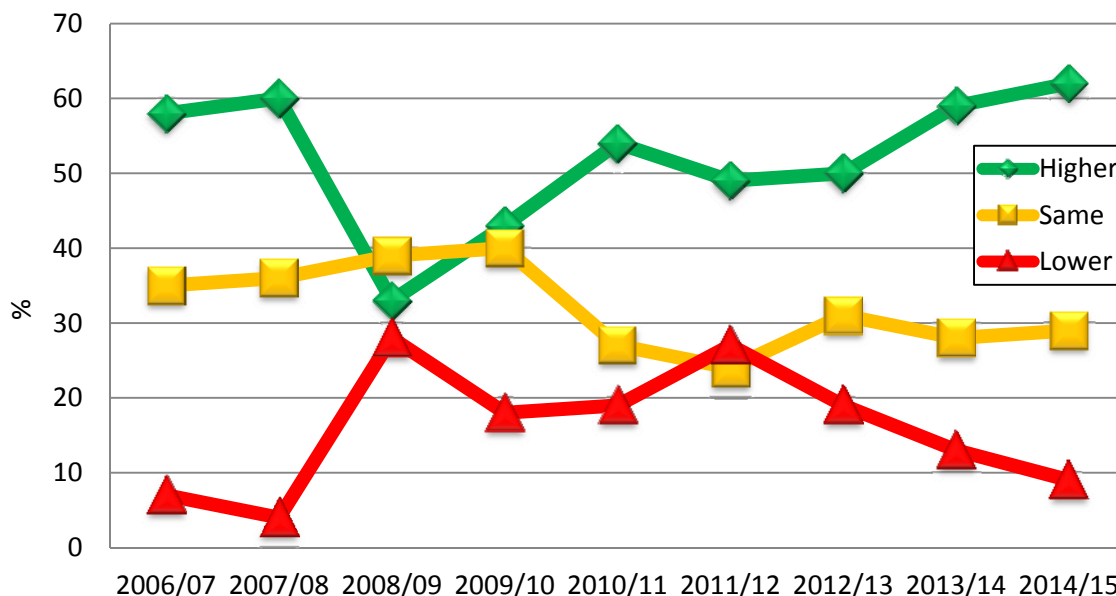


2.2 UK Superyacht workload over the last 12 months compared to 2013/14

Respondents report an overall trend for Superyacht workload that has increased significantly over the last 12 months compared to survey last year, and is reflecting the most positive trend since 2007/8.

61% report a higher workload over the last 12 months compared to the same period a year ago and 9% report a lower workload. This is more positive than the 59% higher workload rating in the results for 2013/14.

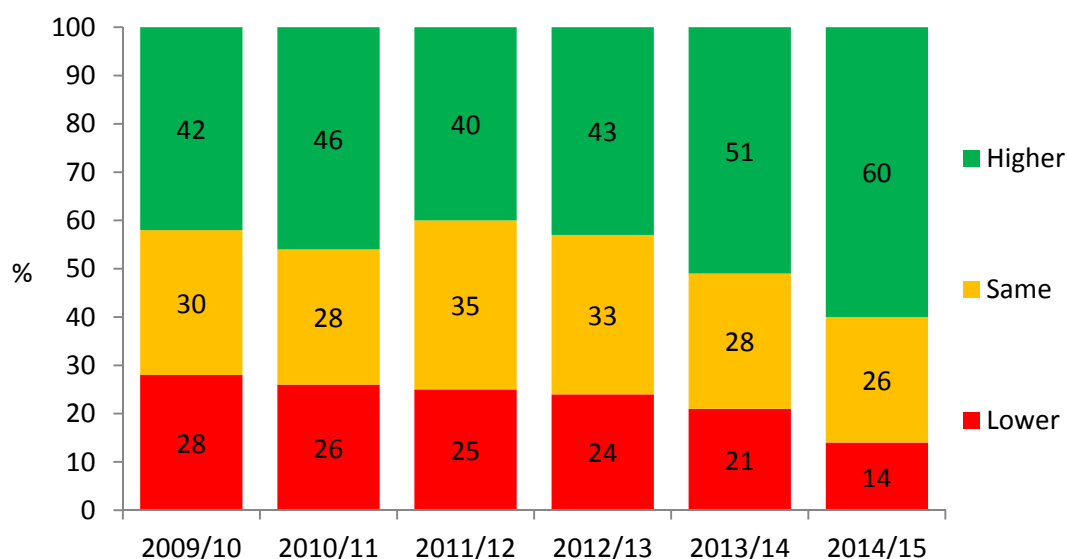
The net balance result between the positive and negative responses is +53% which compares to +46% in 2013/14, +31% in 2012/13 and +22% in 2012/13, and now exceeds pre-recession levels.



2.3 UK Superyacht value of the order book over the last 12 months compared to 2013/14

The value of the Superyacht order book had been fairly consistent over recent years and has improved significantly on 2013/14. 60% of respondents report a higher value of the order book, and for only 14% reported it to be lower over the last 12 months compared to the same period a year ago. This is significant improvement on the rating provided in 2013/14 when 51% reporting a higher value and 43% in 2012/13.

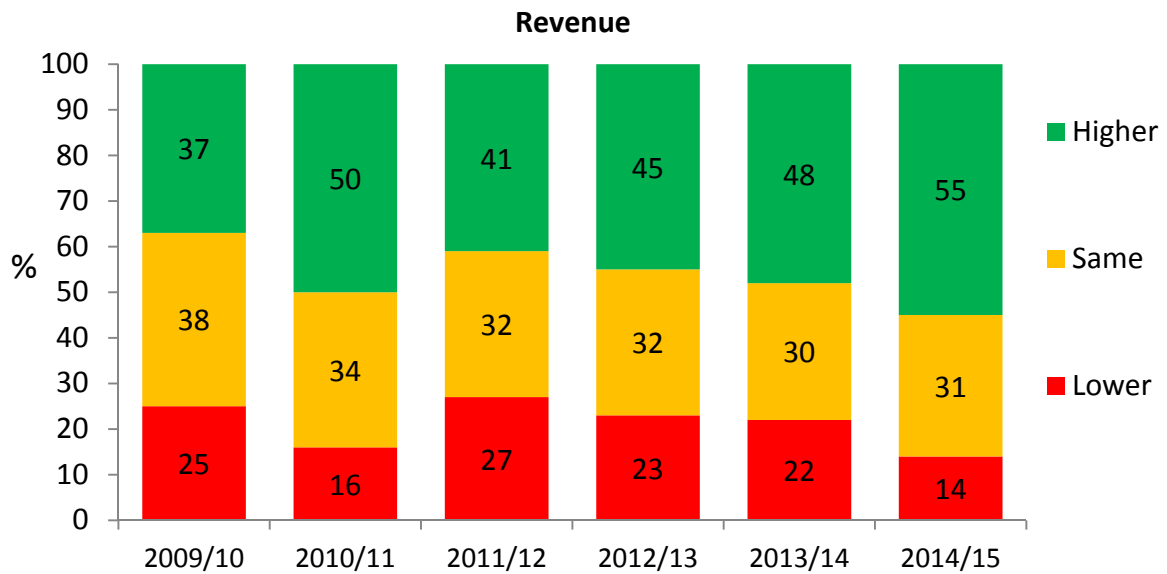
The net balance is therefore more optimistic at +46% compared to +30% reported in 2013/14, +19% in 2012/13 and +15% in 2011/12.



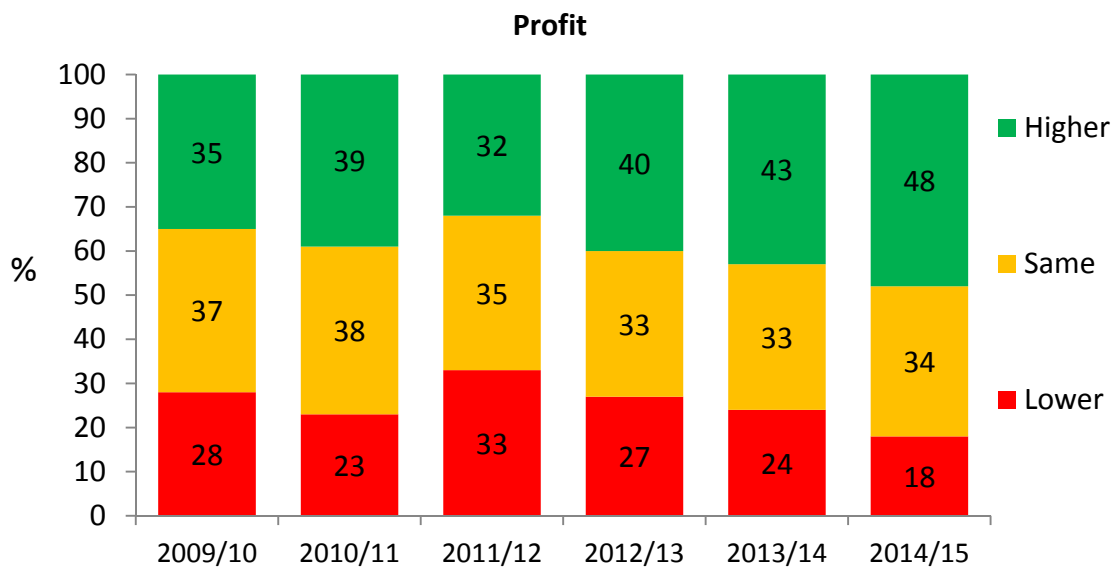
2.4 UK Superyacht revenue & profit over the last 12 months compared to 2013/14

There has been a substantial increase in the rating of monetary measures compared to last year, building on the upward trend reported over the last three years.

55% report higher revenue than the previous year, while only 14% achieved lower revenue. This results in a net balance of +41% compared to +26% in 2013/14, +22% in 2012/13 and +14% in 2011/12.



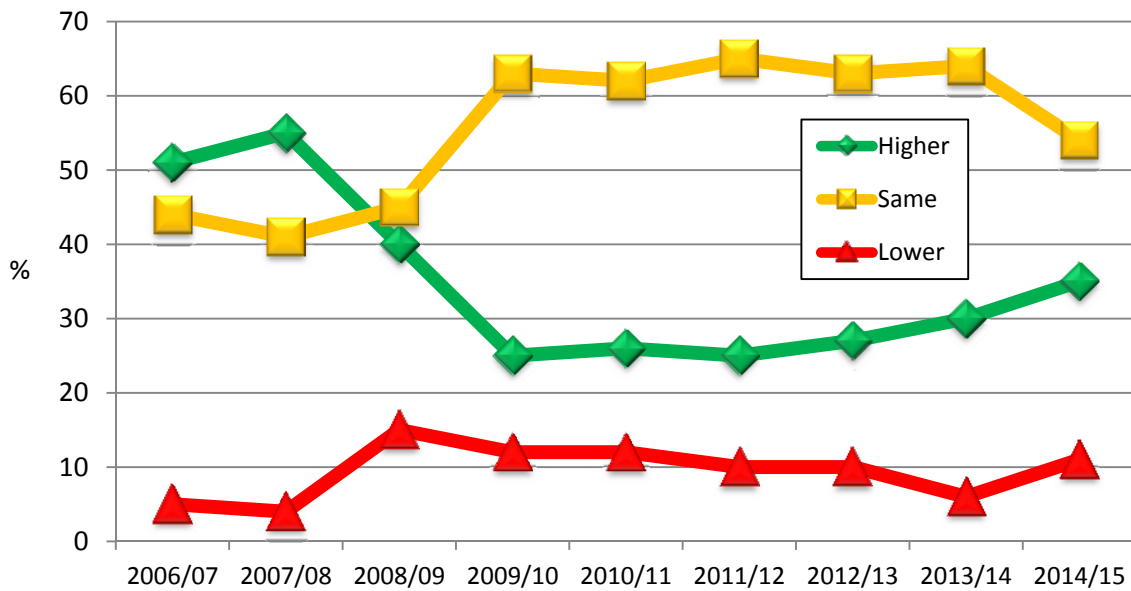
Profits are also rated significantly higher, compared with 2013/14, with 48% rating profits higher than the last 12 months compared with 43% in 2013/14, and only 18% reporting lower profits compared to 24% a year earlier. The resulting net balance is +30% compared to +19% in 2013/14, +13% in 2012/13 and -1% in 2011/12.



2.5 UK Superyacht workforce over the last 12 months compared to 2013/14

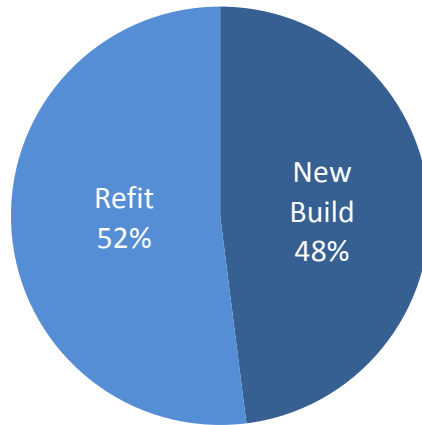
There are just under 4,000 FTE employees working in the sector which is +6.9% compared to last year. This increase is due to business increasing their staffing levels across the sector.

The trend for individual company’s workforce remains stable, with no significant change on 2013/14. 35% of members report an increase to their Superyacht workforce over the last 12 months, with 11% lowering their workforce and 54% remaining the same level. This creates a net balance of +24% which is the same as 2013/14, and higher than the +17% in 2012/13, +15% in 2011/12 and +14% in 2010/11.



2.6 Proportion of the UK Superyacht industry in the new build versus refit sectors

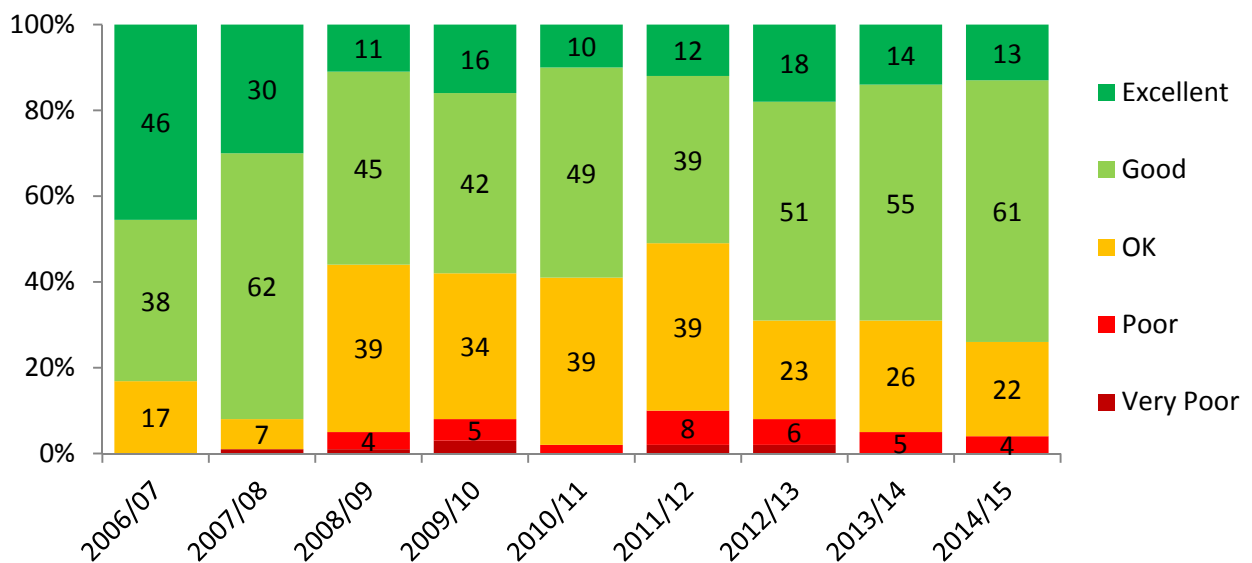
Refit work within the Superyacht industry has followed last year’s trend, increasing on 2013/14 levels. Refit now accounts for 52% of Superyacht industry revenue. This compares to 43% in 2013/14.



2.7 Future prospects perceived for the UK Superyacht industry over the next 12 months

The majority of respondents continue to rate future prospects for the next 12 months as good or excellent (74%) while 22% state it looks OK and only 4% view their prospects negatively. This future expectation continues the positive trend, and is a significant improvement on previous years. In the current survey a significant number of members see their prospects as ‘good’ or ‘excellent’ compared to those expecting a ‘poor’ or ‘very poor’ 12 months.

The net balance is now +70% compared to +64% in 2013/14, +61% in 2012/13 and +41% in 2011/12. The forecast in this latest survey is the most positive outlook since the 2007/8 survey.



3. Conclusion

During 2014/15, the UK Superyacht industry has improved further from the previous year and shows a continued uplift since the downturn evidenced in 2010/11.

With trends in workload and value of the order books healthier and more positive future expectations, this indicates the sector will continue to prosper in the coming year.

This survey is conducted annually amongst Superyacht UK members, a British Marine association. In total, revenue was received from 212 SYUK members (94% response rate) while 130 completed the trends questionnaire (62% response rate). The survey is sent out in June, and is reporting members' last financial year.

The survey aims to monitor trends in UK Superyacht marine industry performance and demonstrate the size of the sector.