

**The
Superyacht
Agency**

SUPERYACHT INTELLIGENCE CONSULTANCY REPORT

A curation of sample projects

Sample 2020

Confidential

Photo: Porto Mirabello,
La Spezia, Italy



The Superyacht Agency

For more than two decades, we have dedicated our global media channels to educating, informing and advising all sectors of the superyacht market. Our team of industry experts consistently delivers on our mantra 'building a better superyacht market'.

From expert journalism to real-time news coverage; from face-to-face networking to luxury communication tools; from global conference platforms to exclusive private communities, no other media group provides such a concentrated and focused mix of superyacht marketing and information channels.

The Superyacht Agency is here to meet the need for superior data-driven decisions in the superyacht market, while the Superyacht Events division organises, hosts and delivers some of the most powerful and respected conferences, meetings and networking opportunities in the industry.

Through a tailored service and long-standing relationships with industry business leaders, The Superyacht Group understands what the superyacht market needs – and has the tools to deliver it.

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N.B The companies, numbers, and figures presented throughout the report have been changed to preserve confidentiality, this data should not be used outside of this report.

WHY INTELLIGENCE?

Binary data is an inert concept; on its own, and without context or insight, it cannot tell a story. It's only when these figures have expertise applied to them that they become powerful tools of information. There are plenty of data sets in the public domain, but our team has both the tools and the market understanding to turn data into intelligence. And 'intelligence' can be defined as information that helps to guide strategic business decisions.

While the intelligence database forms the backbone of our offering, it's only the gateway to what The Superyacht Agency's Intelligence team can offer. Thanks to the curation of market data spanning a quarter of a century, the team has market information relating to every sector of the industry at its disposal. Therefore, enquiries that go far beyond the fleet itself can be catered for, which is why we help a diverse range of companies, from investors to OEMs, and shipyards to marinas, to build their business models.

The beauty is in the detail, and our content team, the largest of its kind in the superyacht industry, offers an unrivalled set of complementary expertise. Our analysts track market fluctuations in real time, while our globally respected team of editors works side-by-side with them to provide the market insight and worldwide network that underwrites the veracity of all our reportage. There are many consultancy firms around the world with greater resources than ours, but we find that, time and again, these large firms come to us for the specialist esoteric analysis that only an innate understanding of this unique industry can offer. Our unrivalled base in the superyacht industry means we are the first port of call for anyone seeking specialist knowledge.

The database itself is the most in-depth of its kind, with numbers that are simply staggering for a superyacht fleet of only 6,071. There are more than 80 searchable fields and 40-plus search parameters which ensure that user searches are utterly bespoke. Each yacht record contains more than 70 fields of unique data and, including secondary and tertiary data, the SuperyachtIntel database comprises approximately 1.3 million data points – an unprecedented statistic as we're sure you'll agree.

But the data alone is not enough. When complemented by a direct line to more than 45,000 key stakeholders, the depth of our analysis goes up a level. Our network represents the industry's nucleus, and its willingness to provide us with primary, qualitative information on the true state of the market makes our consultancy proposition the best in the business. Fact.

Photo: Porto Mirabello, La Spezia, Italy

OUR SERVICES

Bespoke Data & Market Insights

No request is too bespoke; we can deliver market insight into any sector of the industry just the way you want; whether it be raw data or fully packaged analysis, we will deliver.

Economic Impact Assessment

The economic impact of a visiting superyacht is an increasingly pertinent subject that informs governments and regional economic bodies about their strategy towards our industry. We work with such institutions to formulate viable legacy plans that will ensure shoreside economies will maximise the benefits the fleet brings to them.

Market perception

The Superyacht Agency is the only organisation that can implement the strategic recommendations set out by its research into a tangible strategic campaign. Companies now want an honest appraisal of what the market truly thinks of them and, based on this feedback, we are able to implement a cogent marketing campaign that will correct any misconceptions.

Investment strategy

A number of prominent investors have engaged The Superyacht Agency to undertake the due diligence that has underwritten their investment in the superyacht industry. The veracity of our data ensures strategic business decisions are prudent.



Photo: Porto Mirabello,
La Spezia, Italy

BESPOKE DATA & MARKET INSIGHT



EXECUTIVE SUMMARY

We outline how businesses can source cost-effective and individually tailored data sets at a moment's notice.

Whilst SuperyachtIntel is an excellent source of data, there are times when our clients' search requirements are both very specific and very immediate. When a company needs business-critical information at short notice, they can contact The Superyacht Agency's in-house team of analysts with a request.

On receipt of that request, the team will return with a quote and, if agreed, will then deliver a bespoke package that comprises raw data and graphical representations of the data that can then be seamlessly incorporated into a company report or presentation.

Many of our subscribers need to monitor their evolving order book on a regular basis. But for some, the requirement for data may be biannual, quarterly or sporadically, and the huge annual cost of some of the subscription services currently on the market makes them impractical and unviable. In essence, a bespoke data service represents a more competitive, tailor-made and convenient package.

One such request came from a prominent refit yard that required market context to its own internal performance for an upcoming presentation it was giving for a potential tender. On receipt of the requested data, which affirmed its reliability, quality and longevity, the yard won that all-important contract.

This is just one example of how this bespoke service benefits businesses. We will respond to any request, provide the resulting data in the specified format – all at a cost that makes more sense than some other market options.

Photo: Porto Mirabello,
La Spezia, Italy



EVOLUTION OF THE 40-60M SUPERYACHT FLEET

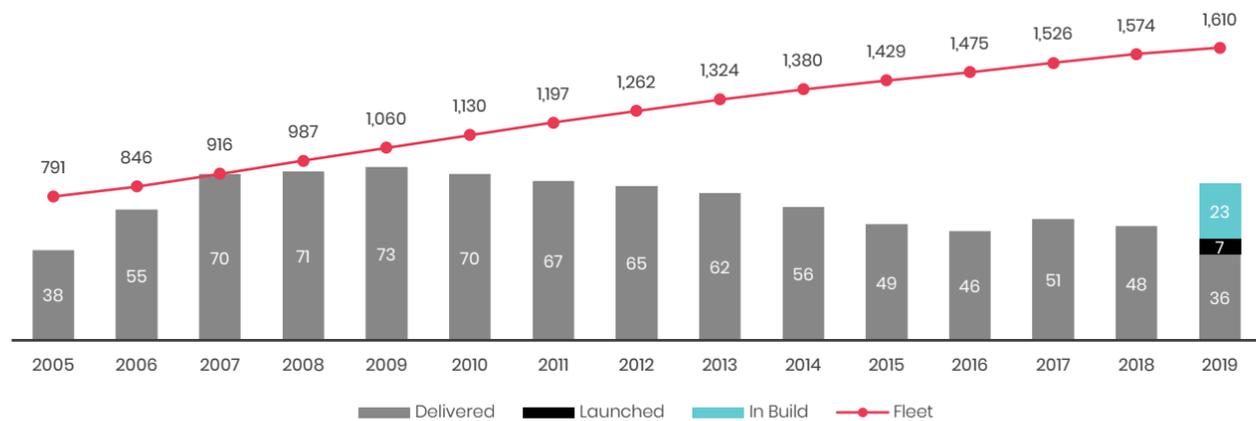
Since the post-global economic crisis industry slowdown in around 2011, the 40-60m market has experienced a market adjustment, finding some degree of stability in recent years. The average number of units delivered per annum between 2005 and 2018 is 58.6, but this drops to only 50 over the past five years. As the second-ranked shipyard globally in this size bracket, Company A's five-year average of 9.3 units per annum equates to an 18.3 per cent market share.

It may surprise Company A to see that the most prolific month for 40-60m deliveries is July – high-summer for the European market. One would expect May (11.7 per cent) and June (15.3 per cent) to be the busiest months for deliveries, as is the case with Company A's own historical delivery record. However, the fact that July is the busiest month for deliveries in this populous sector is indicative of the problems facing the market, with clients left disappointed by delays.

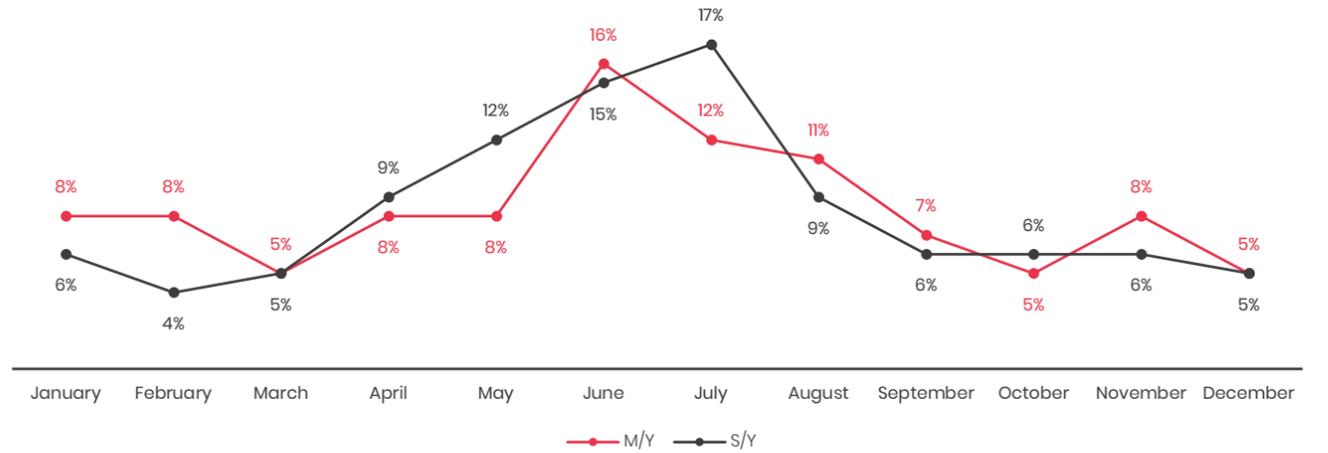
What is most telling about this sector of the market is how its growth trajectory has slowed dramatically. Indeed, looking back to 2013, the annual growth rate has more than halved – from 4.9 per cent in 2013 to 2.3 per cent in 2019. This puts into positive context Company A's own performance which, while not spectacular, is indicative of stability, with a compound growth rate of two per cent over the same period. Over this time, the number of sailing-yacht units delivered has dropped by a market-shaking 57.1 per cent, while the more active motoryacht market has still shrunk by 40 per cent.

Italian deliveries within the 40-60m motoryacht market closely mirror that of the global fleet throughout the year, underlining this geographical market's invaluable contribution to this sector. It is, however, also the most competitive market of all, which explains why Company A's market share falls to just 12.5 per cent when focusing on its domestic market.

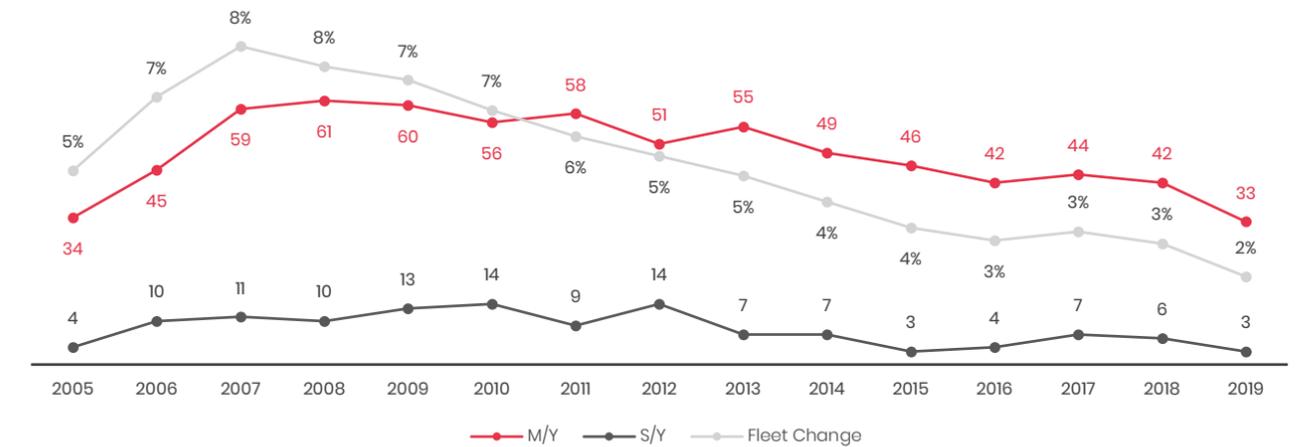
40-60m fleet and order book (2005-present)



Percentage of deliveries by month of the year for the 40-60m fleet



40-60m M/Y and S/Y deliveries with fleet change %





ECONOMIC IMPACT ASSESSMENT

EXECUTIVE SUMMARY

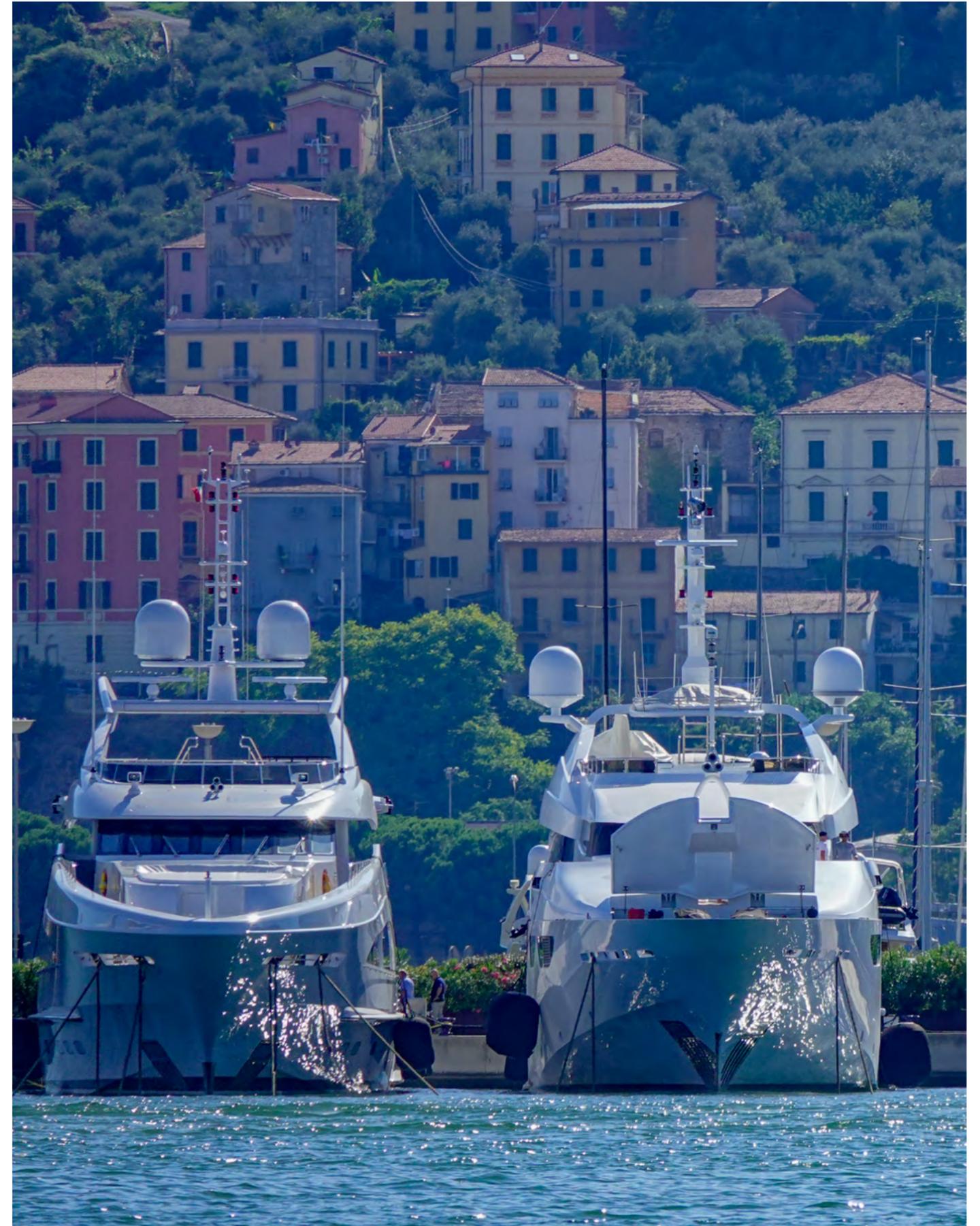
The following report, undertaken for Company A, includes a detailed analysis of superyacht OPEX data in the context of current superyacht activity in the region. With an average of 56 superyachts visiting Region X each year, the estimated economic impact of the superyacht industry in Region X in 2019 was €39.8 million. As well as revealing other headline results, the report goes on to break down the data even further to show how this money is being spent and by which type of superyachts. This data, presented alongside insight garnered from an in-depth market perception survey, provides a clear picture of the region's potential for growth.

Key findings from the economic impact analysis indicate that private yachts are more valuable to Region X's economy, with a significantly longer average length of stay, but that the region struggles to attract a proportionate number of private yachts over 50m. Putting this into the context of the market-perception results, the report shows that a lack of superyacht infrastructure and crew facilities in Region X is a major contributing factor. Furthermore, inadequate market awareness of the diverse cruising options that Area A has to offer is also impeding growth.

The report also highlights significant room for growth in the charter market in Country A. Analysing the OPEX data garnered from charter yachts and comparing it to the revenue earned from Region X's charter tax has shown that the economic impact of a charter yacht's average spending in Region X is much more significant than that of the charter tax. This raises interesting questions about the usefulness of Region X's charter tax and presents the scenario of removing it altogether and what the potential economic impact of this could be.

As well as mapping out the potential demand of superyachts planning to be in the Continent I region, insight garnered from the market-perception survey highlights the areas in which Region X appeals to superyachts and those which it needs to improve. The analysis of this data will offer some interesting conclusions that should form the basis of Company A's future communications and growth strategies. If Company A can better promote its offering, as well as addressing market concerns through considered investment, there is immense scope for the region to grow as a superyacht destination and maximise its economic impact.

Photo: Porto Mirabello, La Spezia, Italy

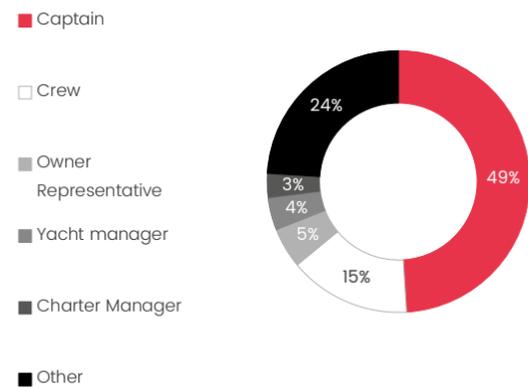


SUPERYACHT OPEX METHODOLOGY

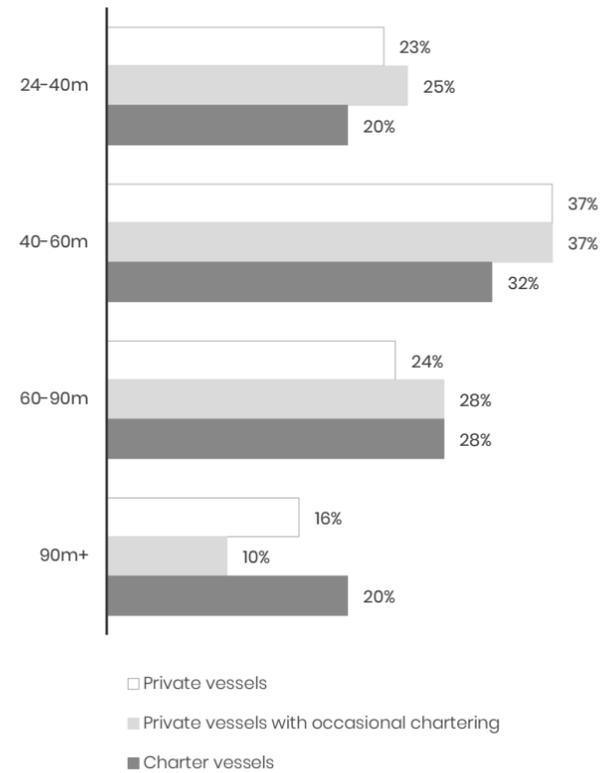
In order to fully assess the potential economic impact of superyachts visiting Region X and identify areas of potential market growth, The Superyacht Agency has used OPEX data from a sample size of 500 yachts, with yacht captains being the most common respondents. The data generated from this survey complements existing raw data from our industry-leading archive.

The results from these data sets will be presented in the OPEX analysis alongside data provided by Company A, including charter data and customs-entry data, regarding the number, type, and length of superyacht visitations. Where data was not available or not supplied, estimations have been made using data provided by Company A and independent brokerage houses. The data will then be analysed together to create a market assessment of the current economic impact of the superyacht industry in Region X, as well as projections for the future potential of economic growth.

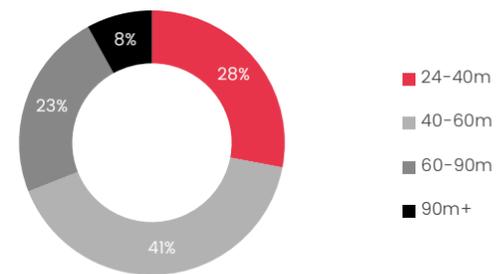
OPEX survey demographic



Type of superyachts represented in OPEX survey



Superyachts represented in OPEX survey



REGION X SUPERYACHT OPEX ANALYSIS

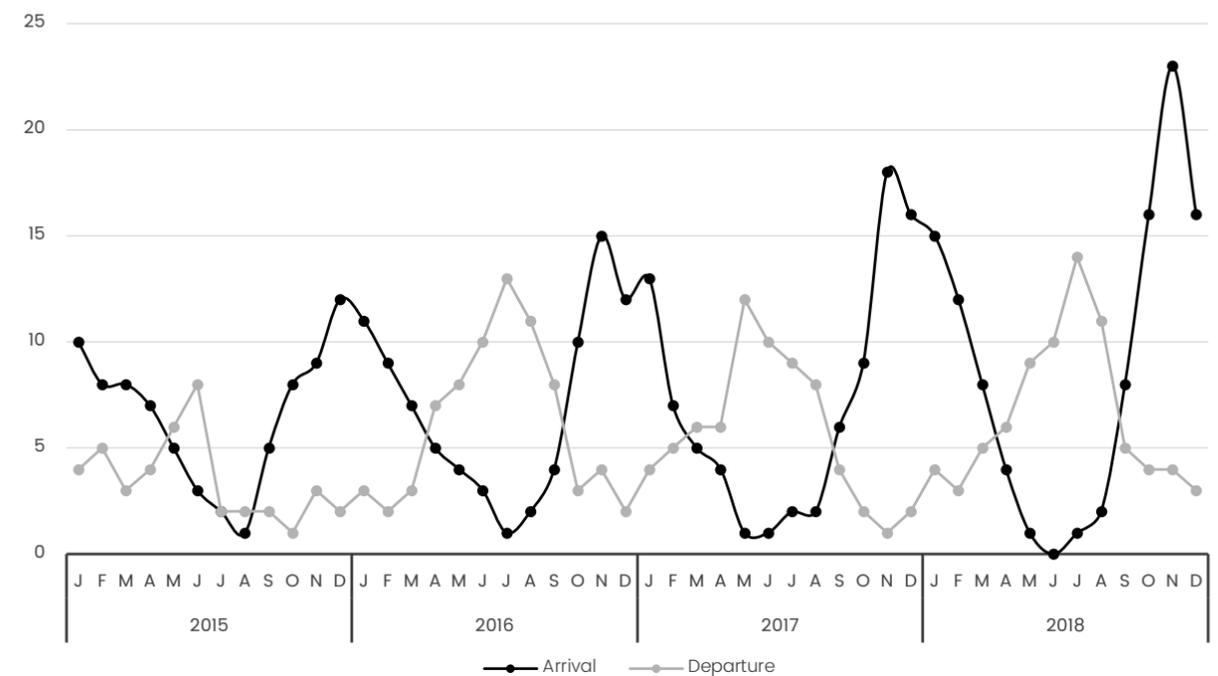
Company A made two data sets available to The Superyacht Agency for the study – superyacht customs entry and charter metrics – that show superyacht visitation habits between 2015 and 2018. In order to estimate the average number of guests and crew per vessel, data was gathered from nine of the leading brokerage houses worldwide, in which more than 1,500 yachts were collated and analysed.

Superyacht visitations peak in April, May and June, indicating that it is a stop-off destination for yachts heading back to the XYZ hemisphere following a summer in Continent I. January is also a popular month for superyacht visits. The average length of stay in Region X for charter yachts compared to private yachts is very different. It's evident that private yachts are much more likely to stay for a significantly longer period of time in the region.

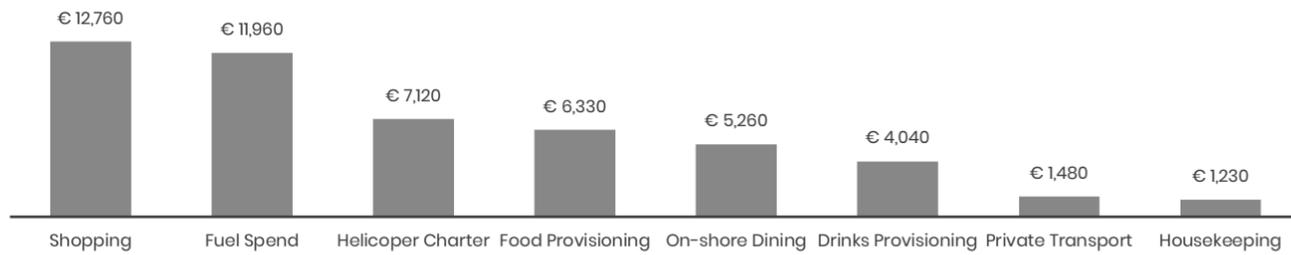
€24.3M
SPEND IN REGION X IN 2015

The number of superyachts visiting Region X over the past four years has remained fairly constant, with an average of 50 visiting per year, except for a slight peak in the number of motoryachts in 2017.

Private superyacht arrivals and departures in Region X

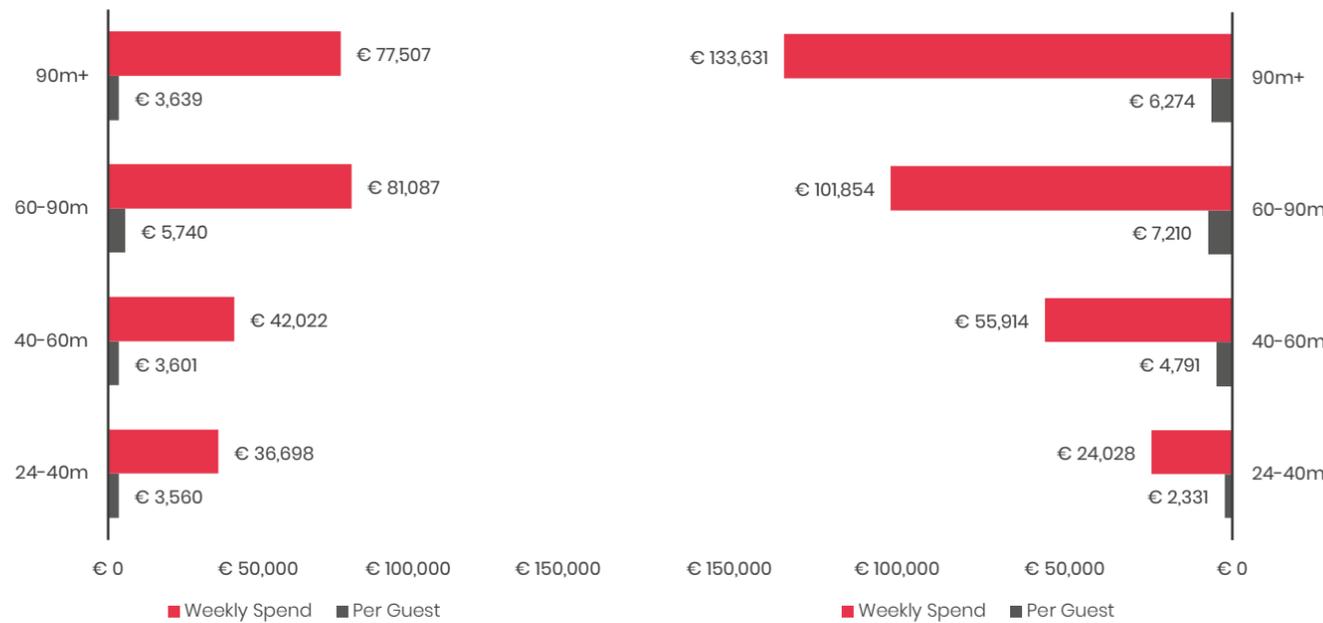


Average weekly superyacht spend



Average weekly private superyacht expenditure

Average weekly charter superyacht expenditure



Looking at how weekly expenditure is affected when broken down by size and private/charter, it's evident that charter yachts over 50m spend much more than private yachts. In order to fully assess the economic impact of the superyacht industry on Region X, we must also take into consideration the average number of guests and crew who will be on board those yachts because each will have their own spending habits when ashore. From this point of view, motoryachts are more valuable as they carry, on average, more crew and guests than sailing yachts of the same size.

The amount earned through Region X's five per cent charter tax from 2014 to 2018 has been tracked. Apart from an anomaly in 2016, due to a sailing yacht that spent a large amount of time chartering in the region, charter tax earned from motoryacht charters is significantly higher.

€77.5K
AVERAGE WEEKLY EXPENDITURE FOR 90M+ PRIVATE SUPERYACHTS

THE ECONOMIC IMPACT OF SUPERYACHTS ON REGION X (2)

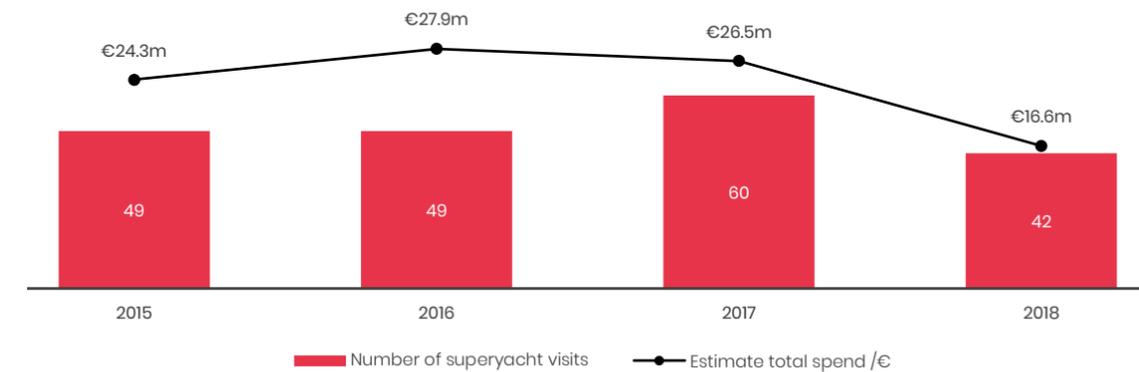
According to data provided by Company A, an estimated 196 superyachts visited Region X between 2015 and 2018, with an average of 49 visiting per year. This number is a respectable percentage of the overall fleet considering that Region X is a superyacht destination that is far from the milk run. It also suggests a comparable level of popularity to Region Y, which reported 54 superyacht visitations in 2018.

number coming to Region X has not increased over the past four years. While some fluctuation is to be expected, considering that the overall superyacht fleet increases each year, Region X should be aiming for an upward trajectory in the number of superyachts visiting each year just to maintain the percentage of the fleet it currently attracts. With a number of upcoming high-profile events taking place in the Continent I region, especially the sport event X in Region C, this should be achievable over the next few years.

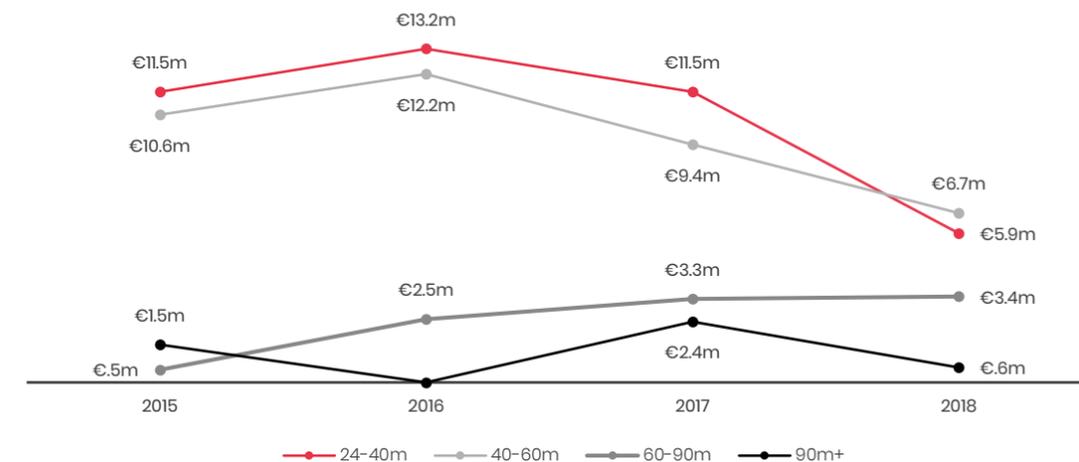
€6.7M
EXPENDITURE BY 40-60M PRIVATE SUPERYACHTS IN REGION X IN 2018

However, it's worth noting that apart from an abnormally high total of superyachts in 2017, the

Total YoY volume of superyacht visitation and associated spend in Region X



Total YoY expenditure by private superyachts in Region X



MARKET SENTIMENT & PERCEPTION

The Region X market perception survey compiled quantitative and qualitative responses from a wide variety of industry players, with 53 per cent of respondents being captains. The respondents also represent a wide range of different-sized yachts, as well as the type of yacht. This means all insight garnered represents a balanced cross-section of the key decision-makers involved in itinerary planning and, therefore, is reliable feedback that should be considered by Company A when building any type of strategy for growth in the future.

With 66 per cent of respondents having cruised around Region X, a large majority of the responses will reflect first-hand experience of the region. However, the 34 per cent of responses from participants who haven't cruised around Region X are also important because they reflect the perception the market has of Region X from an outside perspective. The first positive to be drawn from the survey results is that 98 per cent of respondents confirmed they would consider visiting Region X or recommending superyachts to visit Region X, and 51 per cent think Region X has strong potential as a superyacht destination. This shows that the market perceives Region X to be a very attractive superyacht destination.

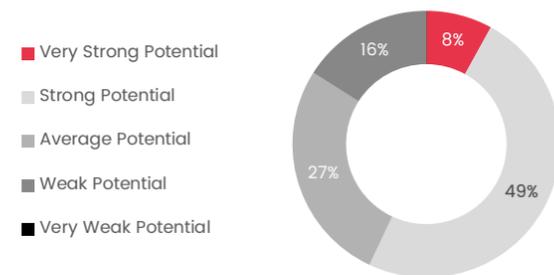
In order to understand what brings superyachts to Region X and what most appeals to visiting yachts about the region, survey participants were asked a series of open-ended questions to gather qualitative comments. When asked what they associate with Region X, the majority referred to very positive factors, including beautiful and remote cruising in reference to the whole of Continent I's area and regard Region X as the hub of the region for provisioning and supplies. A few also responded more negatively about high costs and difficult logistics. The main reasons for respondents visiting Region X were its convenient location to embark and disembark guests and provision. It's also commonly viewed as a good place to stop over between trips and to give crew time off.

Of those who have experience of cruising around Region X, 41 per cent rated their time spent there as far above expectations and 40 per cent as above expectations. This is constructive feedback

for Company A because it reflects that the market is not fully aware of the positives of Region X as a superyacht destination. Perhaps if it were more aware, more superyachts would consider visiting.

When asked about Region X's unique selling points when compared with other superyacht destinations, the most common answer respondents gave was the its unspoilt and uncrowded cruising grounds; it seems Region X appeals mostly to owners, guests and crew wanting to experience something different to the typical superyacht 'milk run'. They also referenced diving and local culture as principal draws. When asked what guests and crew most enjoyed about their time there, respondents again mostly referred to the diving and snorkelling and unspoilt nature as the most enjoyable factors.

Potential for Region X to become a superyacht destination



98%
PROPORTION OF PARTICIPANTS WHO WOULD RECOMMEND VISITS TO REGION X

Insufficient services, crew facilities, and infrastructure, including the lack of a shipyard and luxury marina, was commonly cited as a barrier for growth. "The infrastructure that the owners want ... top-class restaurants, shopping boutiques, provisioners, etc.," wrote one captain. "Even though the owners want to travel more, they still expect first-class facilities." The issue of insufficient infrastructure and berthing was brought up again when respondents were asked what aspects of supporting superyacht operations Region X could improve upon.

A lack of knowledge of Region X's surrounding areas and its cruising potential was also brought up frequently as a barrier, as well as in response to the question of whether Region X is doing enough to promote itself. One captain commented that the market isn't aware that there is more to see in the vicinity than Region X. "When people talk about Region X, I'm not sure that they grasp the whole concept of the area surrounding it," he said. "Continent I is so much more than Region X; the cruising is so diverse and the cultural aspect is just wonderful, the experiences are so diverse between each place. I think a lot of these areas get brushed over."

Which aspects supporting superyacht operations could Region X improve on?

Role	Comment
Captain	Getting owners to understand there is more to the place than the commercial side that mostly people see when visiting on a large yacht
First Officer	Reducing logistics costs would be nice but unlikely to happen due to the economics involved with its location
First Officer	Perhaps more facilities in hub areas - Region X itself. I wouldn't want too much elsewhere though as part of the charm is the unspoilt and remote beauty of the places
Other (Industry Media Editor)	Supplies
Other (Managing Director)	Dockage for large yachts
Owner	Promoting it as a superyacht area of excellence and offering incentives to undertake chartering work without too much red tape

SWOT ANALYSIS

STRENGTHS

- Superyacht migratory trends show that more owners and charter guests are wanting to cruise off the beaten track and away from the crowded superyacht hotspots. Region X is perceived as a unique superyacht destination that appeals to the more adventurous owners and charter guests.
- The region is well-known for its diverse and unspoilt cruising, with plenty of activities for guests and crew – especially diving.
- Region X is often included as a stop-off destination for yachts cruising round-the-world itineraries.
- Its proximity to Region Y – a sailing-yacht hub – means Region Y-based sailing yachts can be attracted to the region for alternative cruising options.
- Region X is not bound by regulation, as some areas around the world still are, and is open to the charter market and considered to be superyacht friendly.

OPPORTUNITIES

- Superyachts planning itineraries to the Sport event X in Region Y and other events in Continent I's area could easily be persuaded to include Region X in their itinerary planning.
- An increase in yacht transportation services to Continent I's area for these upcoming events could present an opportunity for Region X to be a destination for these services.
- Overcrowding in Region D and a trend for exploration will see many owners and charter clients looking for alternative cruising options with Region X's natural characteristics.

WEAKNESSES

- A large proportion of superyacht owners and charter clients are based in Continent II and Continent C, and will consider the travel time to and from Region X as lengthy and costly.
- The closest major port to Region X is City A, which is more than 3,000 nautical miles away. While this isn't a problem for sailing yachts, many motoryachts under 40m will not have the range capabilities to get to Region X under their own steam.
- The high costs and logistical headaches associated with Region X's remote location for travel, provisioning and fuel may be a deterrent for many superyacht captains and owners.
- The five per cent charter tax, compared to other remote destinations that do not charge a charter tax, may be an additional cost that charter clients are not willing to bear.
- A lack of superyacht infrastructure, particularly for superyachts over 50m, will be a consideration for yachts wanting to stay for longer periods in the region.

THREATS

- As superyacht marinas around the world increase in quality, owners, guests and crew are used to the comfort they provide and are increasingly unwilling to compromise in these areas.
- There is increasing competition to Region X as a destination as other governments around the world are easing regulations, investing in infrastructure and opening up to visiting superyachts.
- There seems to be a major lack of market awareness surrounding what Region X and the surrounding region has to offer in terms of cruising potential.

OTHER QUALITATIVE INSIGHT

Which do you associate with places of Region X?

Role	Comment
Captain	Peace, amazing sea and nature
Captain	Region X culture
Captain	City A. Great cruising – away from Region X itself. Great people. Very, very expensive. Region X is good on land but not very interesting by sea. Needs good local knowledge to get the best from it
Charter Manager	Fabulous diving, lovely people, flexible accommodation, great food
Charter Manager	Crystal blue water
First Officer	Fabulous diving, surfing, stunning places
Other (Broker)	Region Y clients travel back and forth to Region X
Other (Broker)	Beautiful turquoise lagoons with beach huts
Other (Head of Client Relations)	Beautiful beaches, turquoise sea, culture
Other (Industry Media Editor)	Remoteness, quiet beaches and tropical forests
Other (Purser)	Luxury, beautiful places, exotic
Owner	Beautiful water, scenery and marine life
Owner Representative	Peace, historical sites
Yacht Manager	Beaches
Yacht Manager	Clear blue waters with plenty of depth in most places. Great beaches, diving, food and lovely people. Good access for guests. Safe

Biggest factors that would deter yachts from visiting Region X?

Role	Comment
Captain	I don't see any problem but the distance. Maybe for a spoilt Region X-style owner it is not the place to be. It depends on what owners are looking for and their lifestyles. Personally, I love those areas
Captain	Expense, experience, time
Captain	Too far from key superyacht hubs
Captain	Long travel for owners and guests – not much else
Charter Manager	Captains are scared, distance from Country D
Charter Manager	Getting their owners or charterers to the destination – it's a long way to go
First Officer	Possibly a misconception of the available services
First Officer	Proximity to major facilities. The higher costs associated with undertaking extended/world cruise
Other (Broker)	The mindset of the owner – their openness to trying something new, supporting infrastructure, distance the yacht has to travel, the cost of getting it there, the cruising capabilities of the yacht
Other (Head of Client Relations)	The infrastructure that the owners want, is there enough top-class restaurants, shopping boutiques, provisioners etc.
Other (Industry Media Editor)	Security, supplies
Other (Purser)	Expense – the cost of provisioning is very high and needs to come from Country E. It is very remote
Owner	Distance to destination and need of assurance for infrastructure and support
Yacht Manager	Distance from next port of call, a long way for motor vessels.



MARKET PERCEPTION

EXECUTIVE SUMMARY

The main objective of this report is to comprehensively assess the market's sentiment attached to the Shipyard A brand and how this perception has evolved over the medium term. To meet this objective, The Superyacht Agency has leveraged its relationships with the industry and collated quantitative and qualitative data from a broad spectrum of relevant industry stakeholders. The conclusions drawn from the data will identify a series of strategic recommendations for Shipyard A to improve its market position and growth.

The report analyses primary insight sourced from a varied range of industry stakeholders who have given their opinion of the Shipyard A brand, specifically its pedigree, image, reputation, desirability and value, and how it ranks alongside its main competitors.

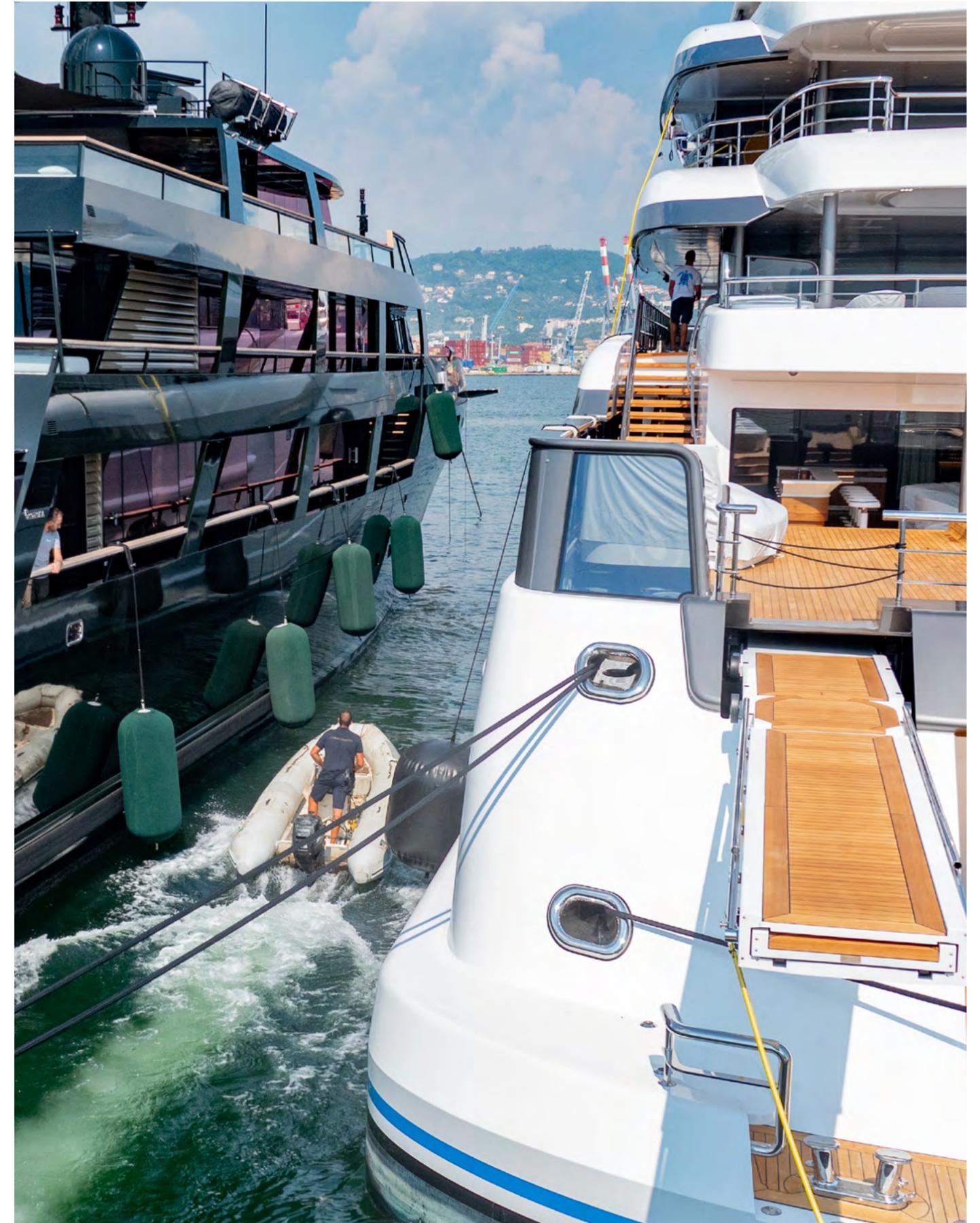
It's widely acknowledged that Shipyard A has a reputation for quality and expertise but the key objective is to understand whether this perceived

quality actually matches the reality. The report also utilises data from previous brand perception studies to assess how the market's image of Shipyard A brand has changed and, with Shipyard A having moved into the 30m+ market over the past decade, the impact this market shift has had on the perception of the builder.

Based on the analysis and evaluation of both quantitative and qualitative data sets, the insight and strategic recommendations have been curated into the following narrative that clearly defines the market's sentiment towards Shipyard A. Within this report, three overarching conclusions have been established. These insights comprise the following:

The superyacht market views Shipyard A as a leading superyacht builder but its brand strength varies depending on size sector and the profile of the client.

Photo: Porto Mirabello, La Spezia, Italy



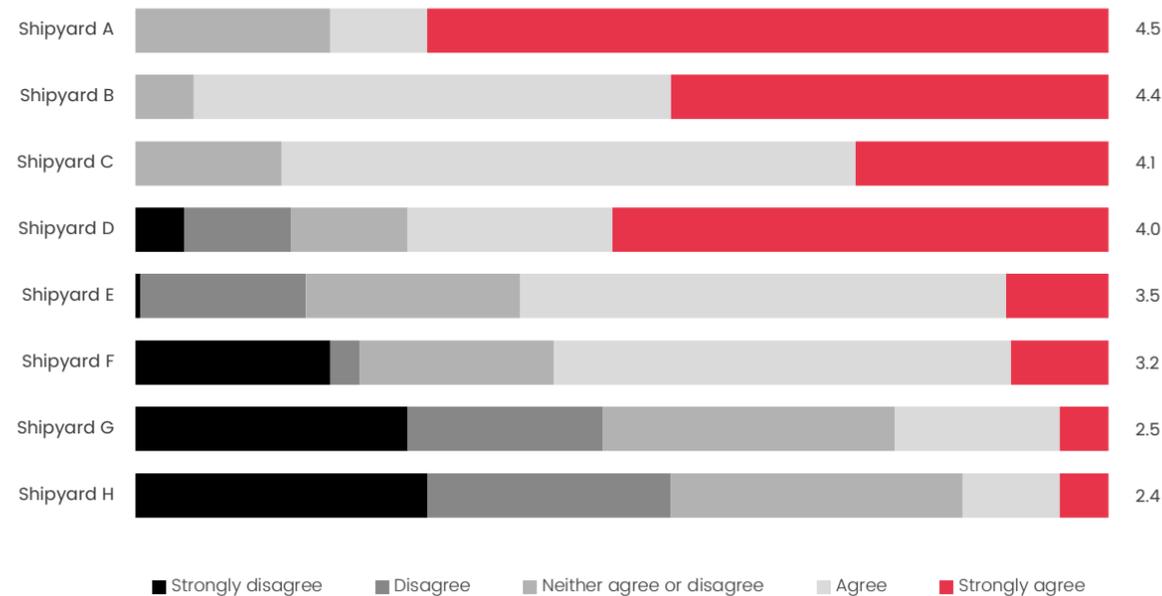
SHIPYARD A BRAND VALUE ANALYSIS

Shipyard A is a market leader within its core sector but some of its key competitors usurp it in other areas.

The advantage of undertaking a market perception study regarding the Shipyard A brand is that even if an industry professional hasn't had direct experience of a Shipyard A build, they will still have many views about the brand's strengths and weaknesses. As such, the survey undertaken by The Superyacht Agency elicited a substantial response and some very candid opinions from a wide demographic of key industry stakeholders, representing a variety of vessel profiles. This underlines the holistic nature of the insight, garnered from a comprehensive spectrum of the market's stakeholders, affirming the veracity of these conclusions.

With Shipyard A's extensive infrastructure, it's important for the brand to understand its strengths and weaknesses in each market sector, as well as its brand positioning in relation to its key competitors. Another indication of the quality of the insight garnered from the research process is that the respondents represent a variety of different yachts from different builders. Furthermore, with 21 per cent of respondents currently representing Shipyard A, and 76 per cent having had experience of working with Shipyard A or on a Shipyard A build, there's also a significant amount of insight drawn from first-hand experience.

Most desirable shipyards to build a yacht with



The results confirm that the market recognises Shipyard A as a prominent superyacht builder, with 67.9 per cent of respondents agreeing that Shipyard A is the global market leader. Desirability is obviously a key component of the Shipyard A brand and its market strength, with respondents perceiving a Shipyard A yacht to be the most desirable compared to its key competitors. However, it's more revealing to examine the market's perception of Shipyard A's position in various markets, for different profiles of the client and within different size sectors.

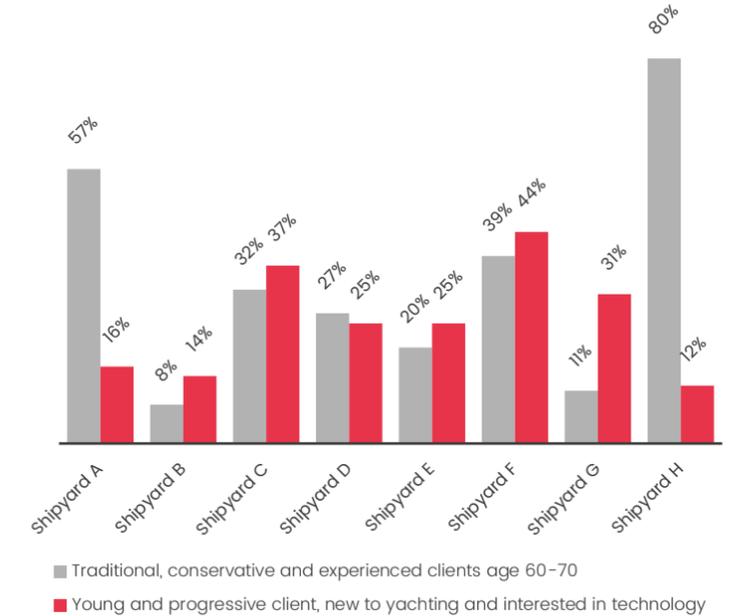
When asked which shipyards they would recommend to a prospective client in various size ranges, the majority of participants responded that they would recommend Shipyard A in the 40 to 50m and 50 to 60m size ranges. However, Shipyard A falls just behind Shipyard B in the 30 to 40m sector and Shipyard F in the 90m+ sector.

When looking at how the market's perception of various yards, based on various factors, has changed since the last survey in 2016, there are some interesting insights. Firstly, survey participants are now 10 per cent more likely to recommend Shipyard A to a prospective client building a 70m+ yacht than in 2016. This is likely due to the fact that some prestigious 70m+ yachts have been delivered since then, including 72m Yacht Alfa, 83m Yacht Beta and 81m Yacht Gamma, and have proved Shipyard A's capabilities in this market. This means that while Shipyard G is still the market leader in this sector, Shipyard A's brand equity is growing at a positive rate.

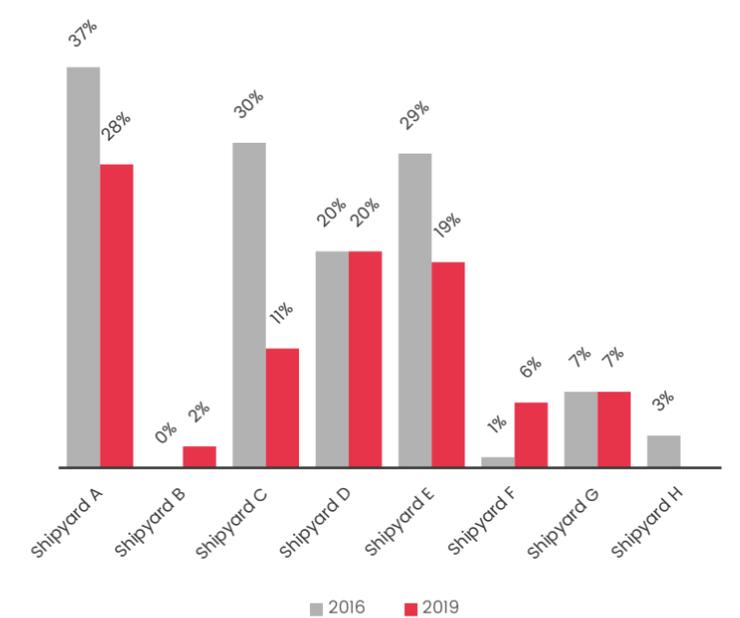
Respondents were also asked which shipyards they would recommend for various profiles of clients when ignoring cost implications. The results show that in comparison to its key competitors, Shipyard H is the market leader for older and experienced clients who are more traditional and conservative, with Shipyard A in second. However, for young and progressive clients who are new to yachting and interested in technology, Shipyard F is the most highly recommended builder.

As a market leader, it's to be expected that there are many elements of Shipyard A's offering in which it excels. The survey results reveal that the market perceives Shipyard A's offering in terms of after-sales service, brand desirability, client service, cutting-edge engineering, pedigree, quality of research, design and build facilities, quality of workmanship, reputation, resale value and timeline management and delivery to be superior to its key competitors.

Shipyard the market associates with specific client profiles



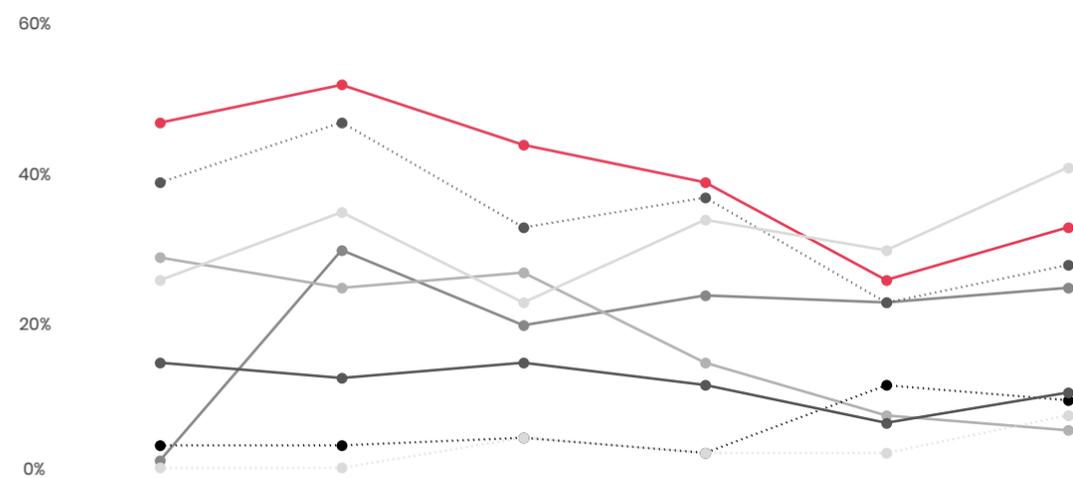
Shipyard most recommended to a prospective client for a 90m+ build



Apart from the flexibility in the design and build process and innovation with design (NB: see Insight 2), the only areas in which Shipyard A falls behind another competitor is value for money, where Shipyard A is surpassed by all but one yard (Shipyard H). These results help to explain why Shipyard A is not the first-choice builder of young and progressive clients, for whom such factors would be very important when considering choice of yard.

Given Shipyard A's considerable investment in developing its infrastructure and capabilities, it's important for the brand to establish market-wide client appeal. With such a strong position within its core market, the bar is set high, and if market perception is hindering Shipyard A's penetration in certain areas then the reasons for this need to be identified. This report will present the key findings of the research and analyse the results in order to fully understand the market's perception of Shipyard A, establishing its strengths and weaknesses, and opportunities for market growth.

Shipyard most recommended to clients based upon key factors



	After-sales service	Brand Desirability	Client service	Cutting-edge engineering	Flexibility within the design and build process	Innovation within design
—●— Shipyard A	47%	52%	44%	39%	26%	33%
—●— Shipyard B	2%	30%	20%	24%	23%	25%
—●— Shipyard C	29%	25%	27%	15%	8%	6%
..... Shipyard D	4%	4%	5%	3%	12%	10%
—●— Shipyard E	15%	13%	15%	12%	7%	11%
..... Shipyard F	39%	47%	33%	37%	23%	28%
—●— Shipyard G	26%	35%	23%	34%	30%	41%
..... Shipyard H	1%	1%	5%	3%	3%	8%



01

MARKET PERCEPTION

THE SUPERYACHT MARKET VIEWS SHIPYARD A AS A PRESTIGIOUS SUPERYACHT BUILDER, BUT ITS MARKET STRENGTH VARIES DEPENDING ON SIZE SECTOR AND PROFILE OF THE CLIENT.

Aside from the 40–60m size sector for older, experienced and traditional clients, the market has concerns over Shipyard A’s capabilities.

Aside from the 40–60m size sector for older, experienced and traditional clients, the market has concerns over Shipyard A’s capabilities. When asked which profile of client respondents most identify with Shipyard A, experienced, old or middle-aged was the most popular response. While 24 per cent believe all client profiles can be associated with Shipyard A, it’s clear from the results that young, progressive and new clients are least associated with the builder. Of course, this should be cause for concern for the brand because it’s becoming increasingly important for builders to appeal to the next generation of superyacht owners to secure future business.

In terms of its perceived market sweet spot, the majority of respondents associate Shipyard A with the 60–90m size sector. To a lesser extent, respondents also associate the builder with the 40–60m market. However, only eight per cent of respondents associate Shipyard A with the 90m+ market. This is perhaps predictable in light of the fact that, to date, Shipyard A has launched only a couple of 90m+ yachts, but considering the shipyard’s capabilities in this sector, and the purpose-built infrastructure it now owns, it’s an important insight that needs to be considered in the following analysis in order to establish why the brand is weaker in this sector.

When asked open-ended questions to give further details about the perception of Shipyard A in each of these size sectors, many respondents described the 60–90m market as the builder’s ‘sweet spot’. One designer said this sector was Shipyard A’s, “core market and the market that best suits the finer yacht-building approach and family environment”.

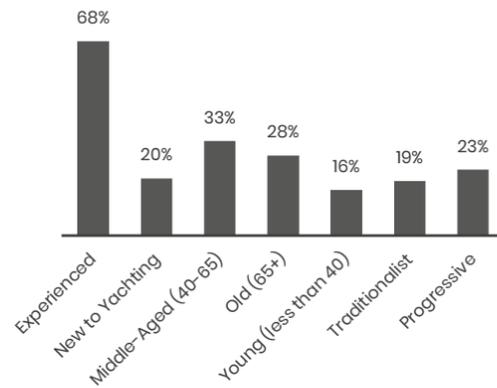
One captain agreed, commenting, “I believe Shipyard A is dominant in this range and is producing an excellent variety of designs and engineering platforms to meet demand.”

However, in the 90m+ size sector, Shipyard A is alluded to as ‘up and coming’ and a serious alternative to perceived market leaders Shipyard B and Shipyard C.

These comments play an important role in understanding why the Shipyard A brand is weaker outside of its perceived core market. It’s perhaps the brand’s perceived lack of value for money that hinders it in both the smaller and larger size sectors, and the market appears to need reassurance of its suitability for these sectors.

41%
OF YACHTS ASSOCIATED WITH SHIPYARD A ARE 60-90M

Profile of client associated with Shipyard A



Yacht size-segment associated with Shipyard A

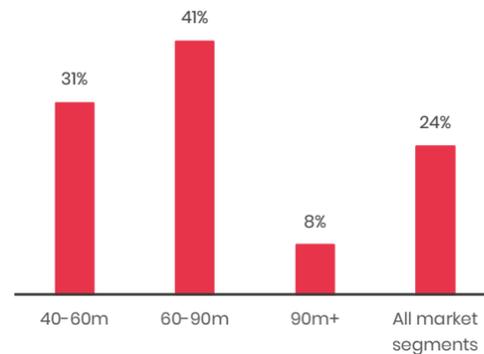


Photo: Porto Mirabello, La Spezia, Italy



02

MARKET PERCEPTION

SHIPYARD A IS ASSOCIATED WITH QUALITY, PEDIGREE AND STRONG RESIDUAL VALUE, BUT OTHER ELEMENTS OF ITS OFFERING ARE UNDERMINING THE BRAND.

While the key elements of Shipyard A's brand are very strong, it still falls short in terms of technical innovation, eye-catching designs and client service.

In terms of its overall brand perception, Shipyard A receives very positive sentiment from respondents. When they were asked whether they agree or disagree on various factors relating to Shipyard A, an overwhelming majority (more than 87.9 per cent) agree that Shipyard A is a quality builder, has a strong reputation and pedigree and is receptive to new designs. A lesser, but still large, majority of 64 per cent agree that Shipyard A is reliable. These are all factors that would significantly influence a client's choice of Shipyard A, and it's therefore important that market perception is very positive in these areas.

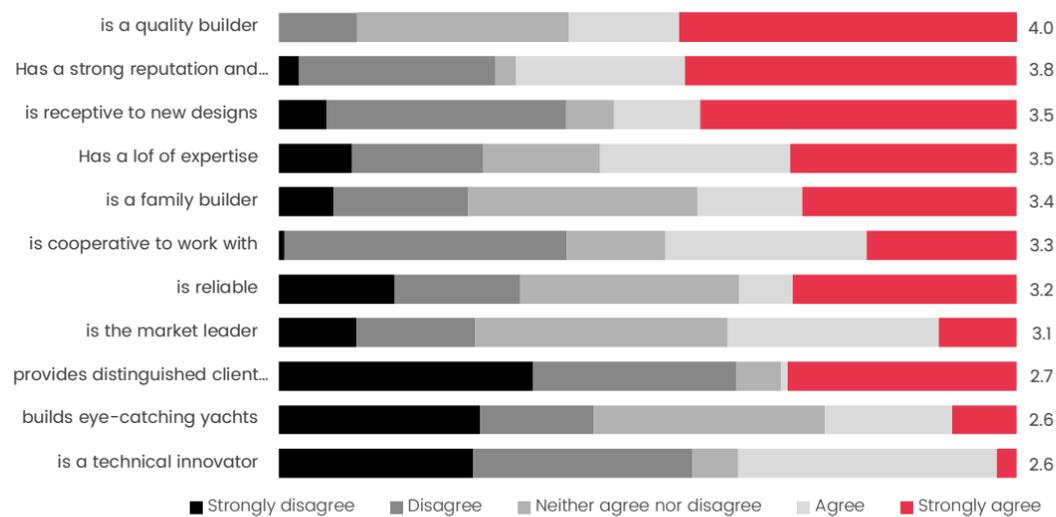
With the bar set so high for the Shipyard A brand, any sentiment of less than 80 per cent is arguably

negative when compared to the near perfect performance in the aforementioned areas. For example, respondents agree to a much lesser extent that Shipyard A builds eye-catching yachts, provides distinguished client service, is a technical innovator or is receptive to new designs. The lowest percentage of respondents (52.8 per cent) consider Shipyard A to be a technical innovator. Therefore, these can be identified as areas of relative weakness for the builder.

Similar sentiments are reflected in the survey responses to the question about the qualities respondents would recommend concerning Shipyard A. Pedigree, reputation, resale value, quality of workmanship and brand desirability all feature highly on this list, whereas innovation with design, value for money and flexibility within the design process are at the bottom. These results highlight similar areas of brand strength and weakness as the previous question.

87.9%
OF THE MARKET STRONGLY AGREES THAT SHIPYARD A IS A QUALITY BUILDER

Key factors the market agrees are most representative of Shipyard A



Respondents were also asked open-ended questions regarding their perception of Shipyard A. As expected, quality, brand strength and reputation, traditionalism and conservative design were all frequently referenced. There were also certain trends that emerged from the answers depending on the role of the respondent. For example, the most common answers from captains referred to high quality and reliable builds, but a number also noted an unaccommodating attitude during the build process. "Quality build but struggles with client/owner input," said one captain. "Highest quality product but no interest in listening to those who run or operate their yachts," said another.

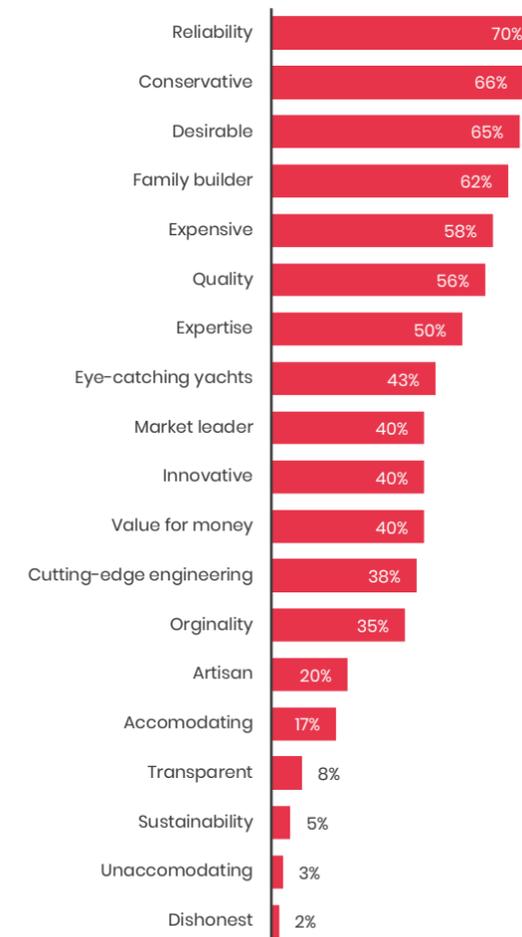
A number of owners, while also alluding to Shipyard A's quality, said its yachts were overpriced. The

majority of brokers commented positively on Shipyard A's high-quality yachts and its ability to retain a high resale value, as well as its bespoke build experience for each client. Designers were also very positive about the quality of the build process and the capability to deal with unusual design requests. This sentiment was reinforced when respondents were asked about the value of buying a Shipyard A, with the majority of answers referencing Shipyard A's ability to retain its value and its 'sellability'.

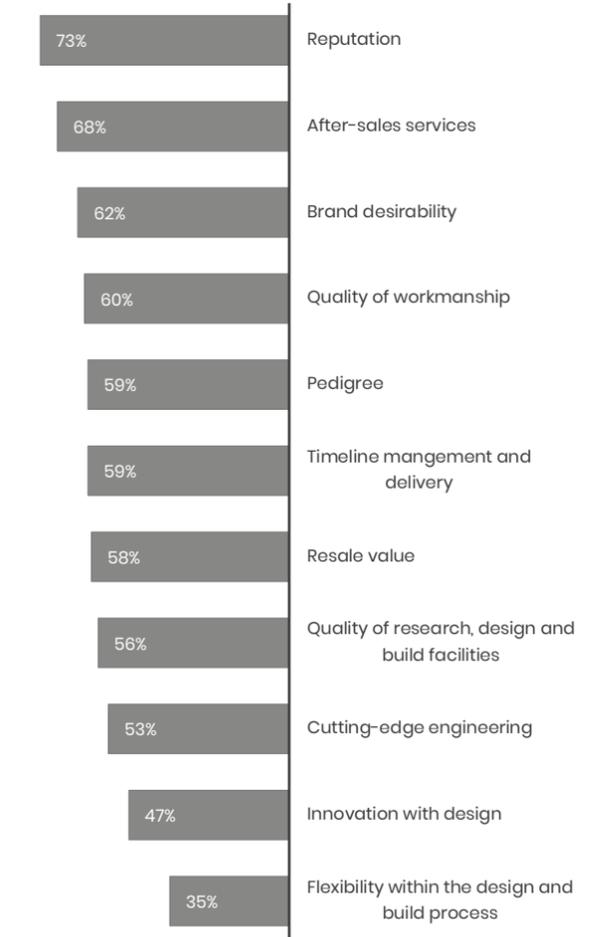
"It's expensive but keeps its value better than other yards, and running costs will be kept down due to reliability and build," said one broker. Being part of an exclusive Shipyard A owners' club was mentioned by another broker.

73%
WOULD RECOMMEND SHIPYARD A ON REPUTATION

Factors associated with Shipyard A



Factors of Shipyard A that is recommended



03

MARKET PERCEPTION

THE SUPERYACHT MARKET VIEWS SHIPYARD A AS A PRESTIGIOUS SUPERYACHT BUILDER, BUT ITS MARKET STRENGTH VARIES DEPENDING ON SIZE SECTOR AND PROFILE OF THE CLIENT.

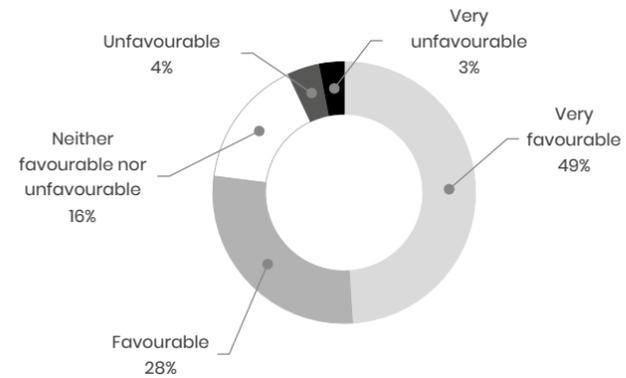
While Shipyard A has consistently been known for quality, reliability and desirability, the market's perception in other areas has wavered over the years.

The perception of quality is, of course, very important to any brand, and for Shipyard A this is something that has been built up over decades of boat-building history, making it stand out from other superyacht builders. However, it's also important to establish whether this perception matches the reality or if the market sees any discrepancies between the two.

When asked about whether Shipyard A's perceived quality matched the reality, most respondents said it did, but some suggested Shipyard A's build quality is slowly slipping. "Not as much as it used to 20 years ago ... the quality/longevity of the latest vessels will not equal that of past ones," answered one designer. A broker also said, "There is a perception that the 60 to 90m category is not as highly detailed in quality as the previous smaller generation."

This perception of decreasing quality could be attributed to Shipyard A's recent growth into size sectors that it is not traditionally associated with. As referenced at the beginning of this report, Shipyard A is mostly associated with traditional builds in the 40 to 60m sector, and so building outside this so-called 'sweet spot' has raised some concerns for the market. This insight certainly needs to be considered by the brand if the aim is to become known as an all-round builder with a sustained level of quality throughout its offering.

Market perception of Shipyard A 10 years ago



How the market's perception of Shipyard A has changed

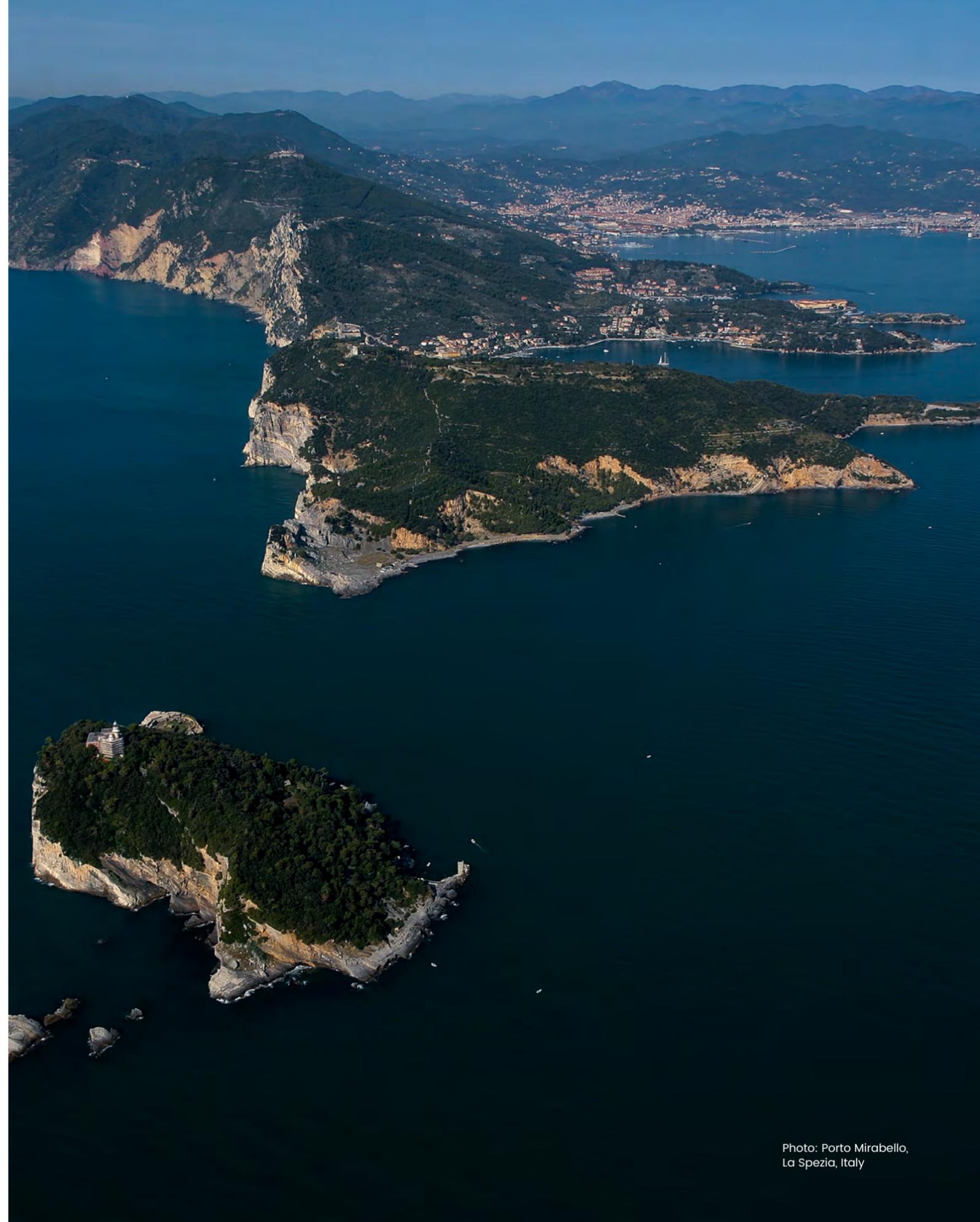
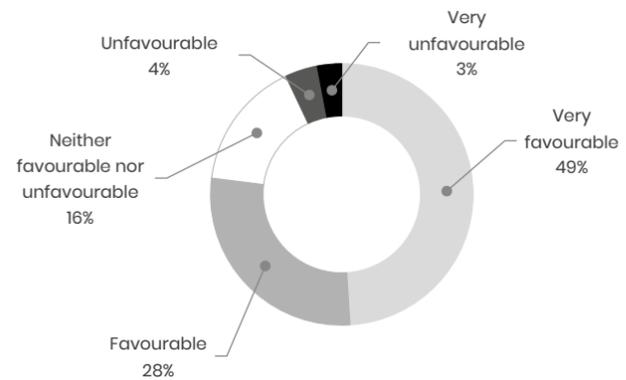


Photo: Vernazza, Italy

INVESTMENT STRATEGY



THE 35M+ SUPERYACHT FLEET IS GROWING AT A STEADY RATE, MEANING REFIT ACTIVITY IN THE SEGMENT WILL FOLLOW SUIT

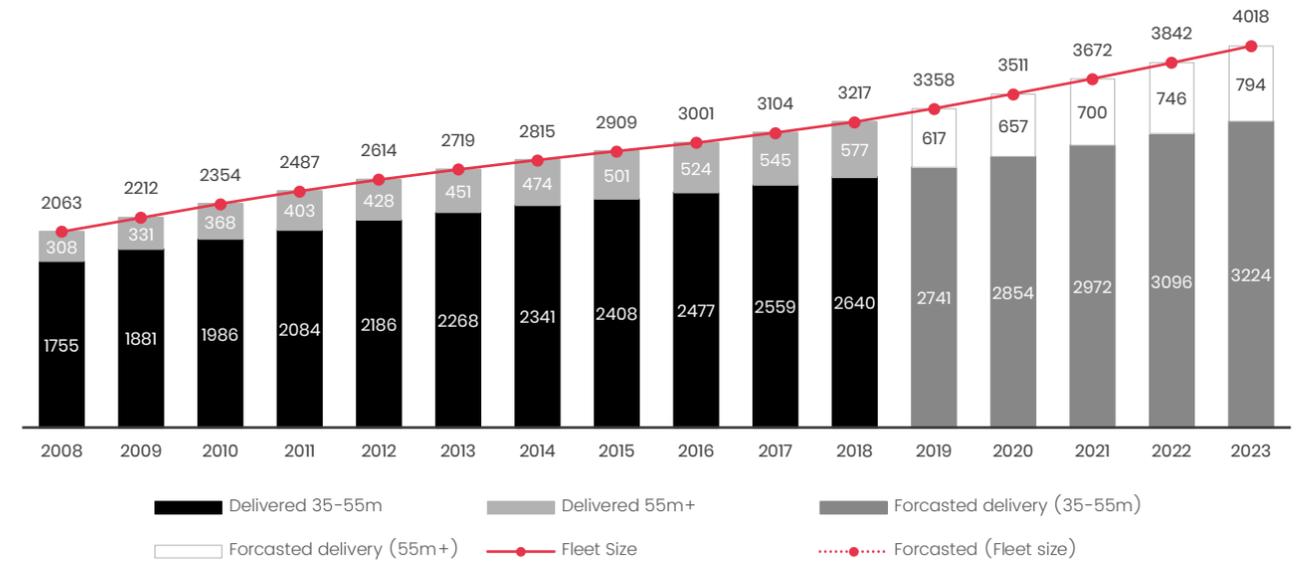
The growth of the superyacht refit market is heavily impacted by the new-build market because the more superyachts that are delivered, the more demand there will be for maintenance, repair and refit. Therefore, as an introduction to this report, we will map out the number of delivered superyachts within Company A's target market – the 35m+ sector – and identify the growth of the fleet over the past 10 years, as well as project its growth for the short-term.

In order to identify market growth in the size category, we have used fleet data to show how the delivered 35m+ superyacht fleet has grown over the past 10 years. The 10-year average growth for the 35-55m+ fleet is six per cent and the 10-year average growth for the 55m+ fleet is eight per cent. Therefore, while the 35-55m+ superyacht fleet is much more substantial in size, market growth in this sector is experiencing a gradual downward trend, whereas the 55m+ fleet has been growing at a slow rate since 2012.

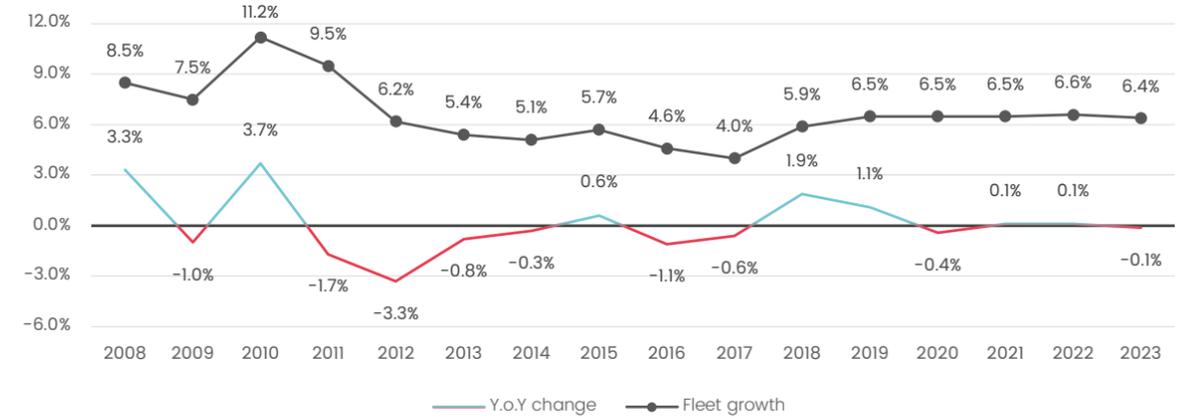
These average growth trends can be used to forecast growth in the 35m+ market. The projection will be used throughout the report to identify future refit trends and, therefore, the potential for Company A's market penetration. This will mean calculating the portion of the 35m+ superyacht fleet that currently visits the regions of interest and applying the same portion to the projected growth of the fleet.

In order to keep all this data relevant to Company A, we will be exclusively focusing on the 35m+ superyacht fleet that has visited Region X or Region Y over the past four years. To do this, we will use migration data from 35m+ superyachts that have visited Regions X or Y between 2015 and 2018, to establish the profile, migratory trends and refit patterns of Company A's potential market.

35m+ superyacht delivered fleet



YoY 35-55m superyacht fleet growth



YoY 55m+ superyacht fleet growth

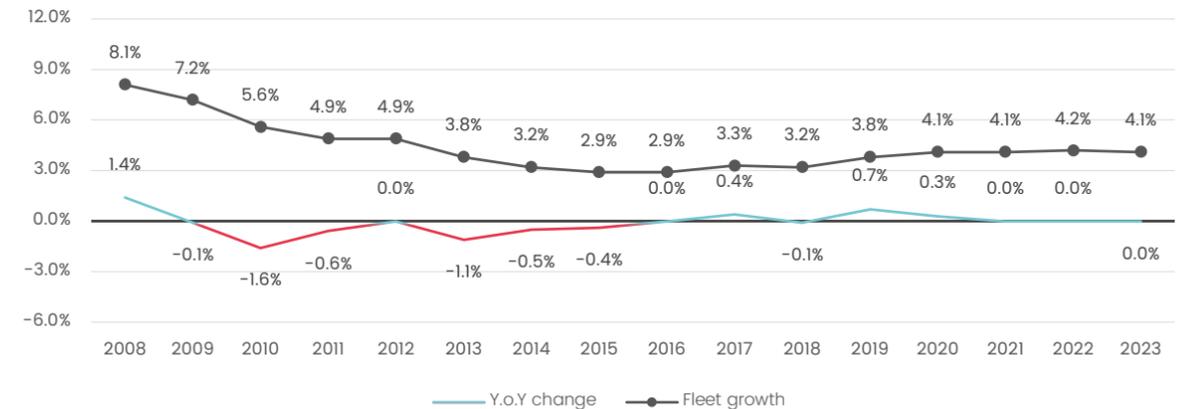


Photo: Porto Mirabello,
La Spezia, Italy



01

INVESTMENT STRATEGY

LOCATION A AND LOCATION B ATTRACT A SIGNIFICANT PROPORTION OF THE SUPERYACHT FLEET EVERY YEAR AND THE VISITING YACHTS FOLLOW CONSISTENT MIGRATORY PATTERNS.

When looking at migration patterns of 35m+ superyachts in the regions of interest over the past four years, 10 per cent of those have visited only Region X and 16 per cent have visited only Region Y, which means the majority of yachts visiting Company A's regions go to both.

The 35m+ superyachts that have visited Company A's regions between 2015 and 2018, which numbers 304, spent an average 24 per cent of that time in those two regions. This suggests the majority of visiting yachts do not base themselves in either of Company A's regions all year round. Many of the 35m+ yachts that visit the regions of interest also go to Region Z, which suggests this is where their home ports may be and, therefore, where they are most likely to undergo refit activity. The percentage of the overall delivered fleet of 35-55m superyachts visiting Company A's regions each year ranges between 38 and 46 per cent. The

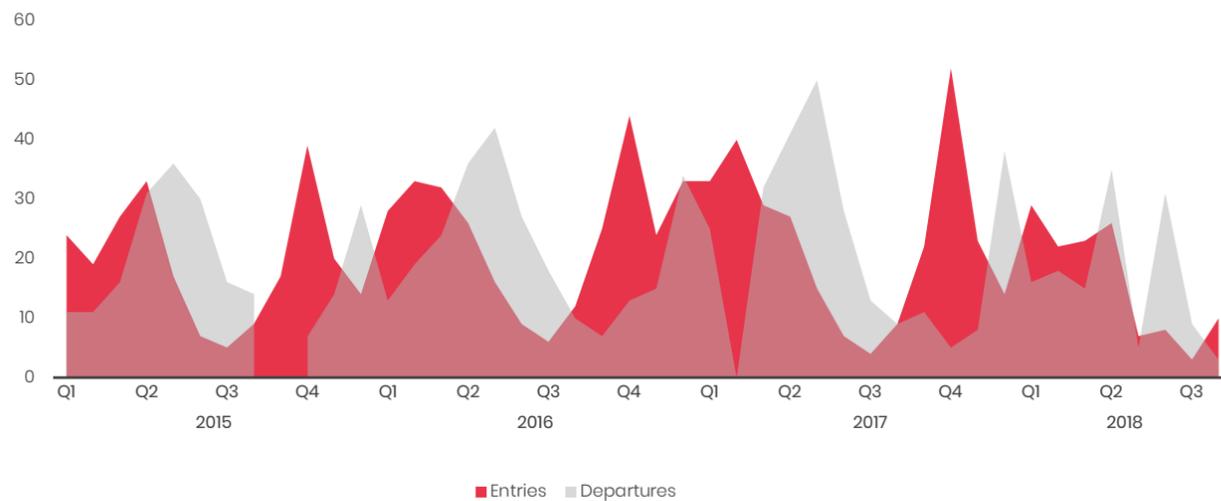
percentage of the overall delivered fleet of 55m+ superyachts visiting Company A's regions each year ranges between 24 and 29 per cent.

Again, this shows that Company A's regions are much more popular with the 35-55m superyacht sector and that there is room for growth among the 55m+ superyacht fleet in these regions. When looking at the migration of 35-55m superyachts visiting Company A's regions over the past four years, there's a very clear pattern that shows that January to May and October to December are the most popular periods for visiting superyachts, while June to September is the least popular. This is to be expected because many of the areas in the two regions are affected by the hurricane season which many superyachts will actively look to avoid.

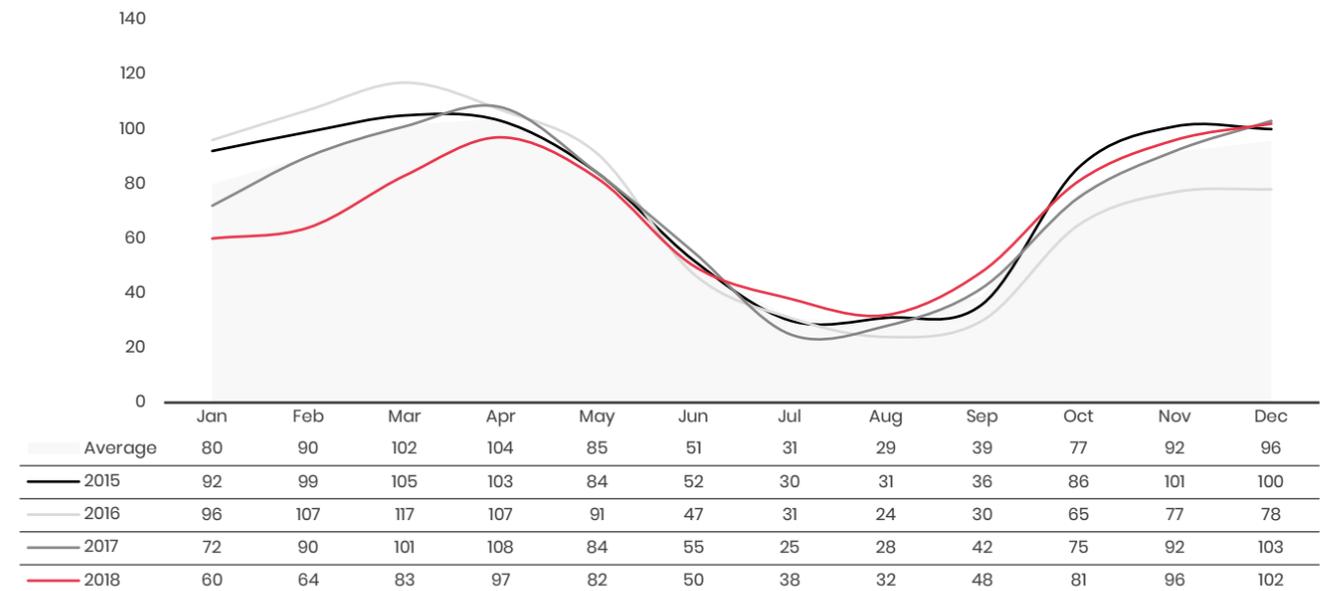
304

35M+ SUPERYACHTS HAVE VISITED COMPANY A'S REGIONS BETWEEN 2015 AND 2018

Movement of transient 55m+ in regions X and Y



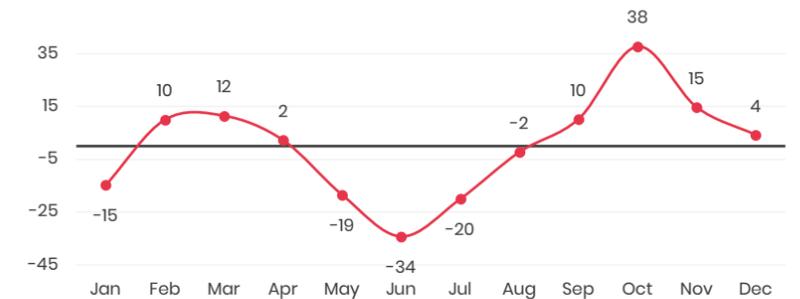
55m+ superyacht visit 2015-2018



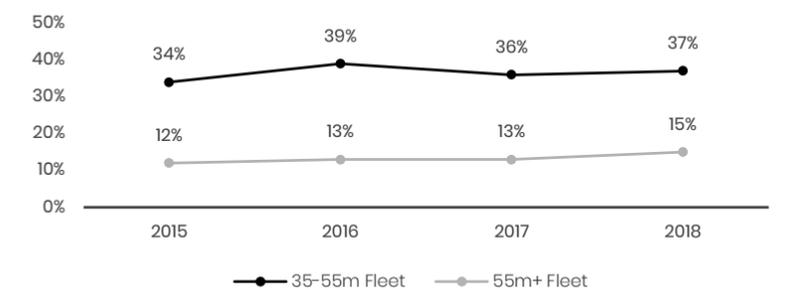
The pattern is less definitive when looking at the migration trends of 55m+ superyachts visiting Company A's regions over the past four years. However, the peak months and least popular months are the same as in the smaller size sector. Because of the smaller size of the 55m+ fleet, it's much more likely there will be fluctuations in migratory patterns, but the general trend in the regions is reconfirmed when we look at the average numbers visiting over four years, depending on the month. Looking at the arrivals and departures of 35m+ superyachts in and out of Company A's regions, this again reinforces the most popular and least popular months. Peak arrivals tend to occur between January and April, as well as in October, each year. Peak departures tend to occur between May and June, as well as in December, each year.

These movements indicate the times of year when superyachts might be open to undergo work or refit activity. Based on current migratory patterns and projected fleet data, we can also forecast future migration numbers and patterns in Company A's regions by applying the same percentages of the fleet that the regions currently attract. Looking ahead to 2023, this shows the numbers of visiting yachts in both size sectors increasing gradually year on year.

Average net spend of entries and departures of 55m+ superyacht traffic for regions X and Y



Proportions of the delivered superyacht fleet visiting regions X and Y



02

INVESTMENT STRATEGY

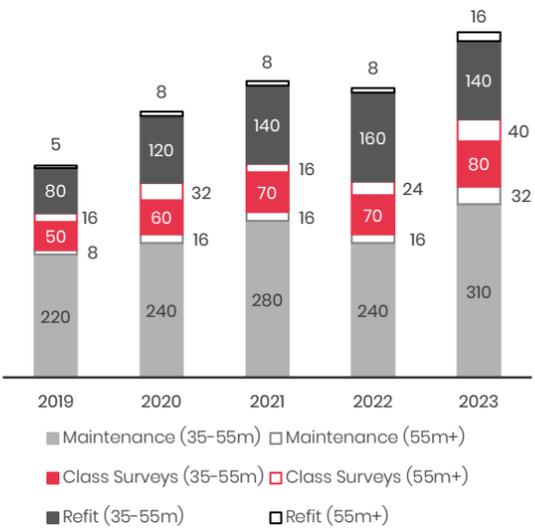
LOOKING AHEAD TO 2023, THERE IS GROWING POTENTIAL FOR 35M+ SUPERYACHTS TO UNDERGO REFIT ACTIVITY IN COMPANY A'S REGIONS.

Based on fleet data relating to the age of the 35m+ fleet visiting Company A's regions, new-build projections and the typical class survey, and refit and maintenance cycles, we can project the number of superyachts of interest that would qualify for refit activity of some kind in Company A's regions over the coming years. In terms of class surveys, the theory that yachts would typically undertake one every five years has been applied. This shows that the number of 35-55m+ superyachts in Company A's regions that would qualify for a class survey increases gradually over five years – ranging between five and nine per year. The number of 55m+ yachts also increases each year but at a slower rate of between two and five per year.

In terms of refits, the theory that yachts would typically undertake one every six years has been applied. This shows that the number of 35-55m+ superyachts in Company A's regions that would qualify for a refit over the next five years is significant and increases at a gradual rate, from 80 to 140 per year. However, the number of 55m+ yachts in the regions that would qualify for a refit over the next five years is far fewer, averaging only nine per year.

The theory that yachts would typically undergo maintenance work every three years has been applied. This shows that the numbers of 35-55m+ superyachts in Company A's regions that would qualify for maintenance work show the most potential, increasing gradually from 220 to 310 per year. The number of 55m+ yachts in the regions that would qualify for maintenance over the next five years is far fewer, ranging from only eight to thirty-two per year.

Projected refit and maintenance activity for the relevant 35m+ superyacht fleet



160

PROJECTED REFITS (35-55M) IN 2022 IN COMPANY A'S REGION



Photo: Porto Mirabello, La Spezia, Italy



THE SUPERYACHT AGENCY SERVICES

Above: The Superyacht Agency developed a completely new visual style and campaign language for Feedship.

INTELLIGENCE

Unrivalled insights

By combining the unrivalled expertise of The Superyacht Group's editors and analysts with the strategic thinking of our Agency team, we can deliver the research, methodology and analysis that can support a business plan, a branding and communications strategy or market positioning assessment. We employ multiple vectors – from targeted bespoke surveys to qualitative interviews to ensure you have the tools to reinforce your business strategy or make you stand out in a crowded superyacht landscape. We can define the market's perception of your company against primary competitors, accurately assess your core market, undertake a feasibility study for your next investment, or clarify the true state of the market in general.

STRATEGY

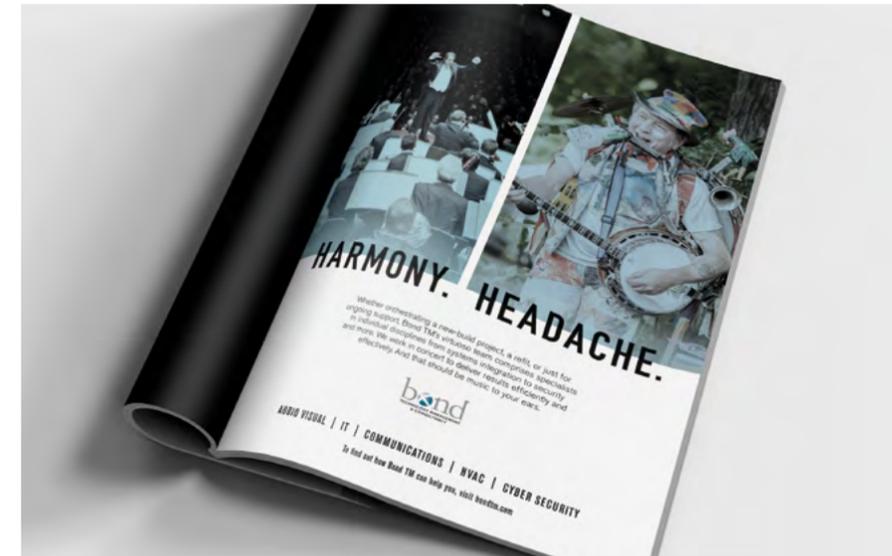
Informed campaigns

Understanding where you want to be – and knowing how to get there – is perhaps the most important part of a marketing strategy. The combination of our market-leading media channels, our commercial relationships across the market and our comprehensive database of decision-makers, allows our team to work with any client on a strategy that will be effective and will deliver results. Knowing who to reach, and how and when to reach them, is the combination of our market insight, our unparalleled intelligence proposition and our smart thinking.

CREATIVE

Inspired solutions

The superyacht market is made up of a diverse mix of brands and marketing collateral that has, over the years, followed a copycat approach. Our team of creatives monitor the market and watch the wider world of branding to bring our clients fresh ideas and creative solutions that will stand out and create an impact or get noticed for the right reasons. We all operate in a crowded 'brandscape' and we pride ourselves on thinking creatively, but intelligently and differently. However, we never 'think outside the box' – because that's what everyone else does.



EVENTS

Incredible experiences

Imagine hosting a dinner for 10 yacht owners in a private room so you can ask them strategic questions about a business model, or building a focus group of technical experts who can explore the viability of a new product. Events can be as large or as small as you need, but most importantly they need to bring customers together for a strategic purpose, not just a social gathering. People say there are too many events in the calendar – we say there are not enough quality customer experiences. We create bespoke events that deliver value, customers and loyalty, and which can take the form of forums, parties, sit-down dining experiences, think tanks, workshops, pop-ups and more.

CONTACT

The Superyacht Agency is based in a cool, relaxed and fun part of London, known as the Northcote Road. If you'd like to explore a fresh approach or see how we think differently, give us a call. Send us a creative brief, invite us to pitch or come and have a coffee.

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Above: Campaign for BondTM, Left: Our Chairman talks at one of our events, Below: Red Ensign Group intelligence consultancy, which was followed with a rebrand, and unified yacht code roll-out.



CONSULTANCY CLIENTS

Company Name	Consultancy Project
Akzonobel	Brand Intelligence
Amico & Co.	Refit Market Intelligence
BAE Systems	Refit Market Intelligence
Baglietto	Market Perception Intelligence
Bermuda Tourism	Economic Impact Assessment & America's Cup Legacy Programme
Blohm & Voss	Market Perception Intelligence
Cebu Marina	Marina Market Intelligence
Derecktor	Market Perception Intelligence
DYT	Market Perception Intelligence
Feadship	Brand Intelligence
Feadship	Refit Market Intelligence
GYG	Market Intelligence
Heesen	Resale Value Analysis
Heesen	Brand Intelligence
Inmarsat	Superyacht Connectivity Report Part I & Part II
La Ciotat - Shipyards	Refit Market Intelligence
Lloyd's Register	Market Perception Intelligence
Lura Investments	Acquisition Intelligence
Marine Port Vell	Marina Market Potential
Monaco Marine	Brand Perception Analysis
Moonen	Market Perception Intelligence
Oceanco	Brand Perception Analysis
Palumbo	Refit Market Intelligence
Pendennis	Market Perception Intelligence
Porto Mirabello	Marina Market Intelligence
Porto Montenegro	Economic Impact Assessment
Porto Montenegro	Marina Market Intelligence
Red Ensign Group	Market Perception Intelligence
Royal Huisman	New Build & Refit Market Potential
Rybovich	Market Perception Intelligence
Savannah Yachting Center	Market Perception Intelligence
Tahiti Tourisme	Economic Impact Assessment
The George Group	Socio-Economic Impact Of A Hong Kong Superyacht Marina
Tourism New Zealand	Economic Impact Assessment

OTHER INTELLIGENCE SERVICES

SUPERYACHTINTEL

SuperyachtIntel is the only database in the market that allows you to access, export and analyse the data you need to make informed and strategic business decisions.

- Fleet and Global Order Book (30m+)
- Brokerage
- Refit
- Designers & Builders
- Incidents

Photo: The Superyacht Report and SuperyachtIntel

With a downloadable database of more than 6,000 superyachts, SuperyachtIntel is the only source that enables you to find and download the exact data you require.

The way the platform is designed allows users to segment their search on myriad levels, including by sector (brokerage, new build, design) or using specific yacht details (LOA, crew cabins, casualties), to name but a few.

You will not be restricted by predefined algorithms or automatically generated graphs and charts that show you only a certain amount of data; you source the data you need, when you need it.

The new and improved version of SuperyachtIntel includes:

THE SUPERYACHT REPORT

Our intelligence is one of the foundational pillars of The Superyacht Report, the world's leading source of superyacht industry information and insight.

We recognise that the market is full of magazines of all shapes, sizes and quality, so we've spent the past couple of years creating something pretty unique and exclusive. This year, we will deliver The Superyacht Report six times a year, published with the mission to provide decision-makers and influencers with the most relevant, topical and reliable journalism available today.

OUR CLIENTS

AkzoNobel

BAE SYSTEMS


BAGLIETTO
CUTTING EDGE SINCE 1854.

 **Knight
Frank**

 **KPMG**

 **LÜRSEN**

BERMUDA
TOURISM AUTHORITY

 **BNP PARIBAS**

Deloitte.

MB92/
GROUP

oceAnco

**One
cean**

DYT
SUPER YACHT TRANSPORT

FEADSHIP
ROYAL DUTCH SHIPYARDS


GYG PLC


PENDENNIS
WORLDCLASS SUPERYACHTS

**PORT
ADRIANO**

**PORTO
MIRABELLO**
LA SPEZIA


HEESEN
HH


IGY
MARINAS

inmarsat


 **Red
Ensign
Group**

TAHITI
TOURISME

**The
Economist**



+



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