

SuperyachtNews



Monaco Yacht Show 2019 Insight Report



BY WILLIAM MATHIESON

A breath of fresh air

It was all change for the superyacht industry at this year's Monaco Yacht Show.

For me, this year, the Monaco Yacht Show was a 'tale of two cities', with a surprisingly pragmatic acknowledgement of the realities the industry finds itself in offset by a noticeable upturn in the number of genuine clients in comparison to the shows of recent years. I've always found it a little tedious that show attendees felt it necessary to embellish the truth and assert that 'business is the best it's ever been', when all around knew that simply wasn't the case – and certainly not in recent years.

However, it is perhaps a sign of the times that this year's event was marked by a new discourse of honesty. Yes, things aren't as good as they could be, and yes, the industry can claim nothing more than evening its keel. But the positive we can all take from this is that we are finally talking about it. And that is largely because this year's event was the most diverse I can remember, with a broader range of ages and ethnicities, as well as an incremental rebalancing of the gender disparity. Clearly, this welcome shift in the superyacht labour demographic is catalysing a new way of tackling stagnation, and this year's show provided clear evidence of that.

It may be stating the obvious, but if one really wants to gauge the number of potential buyers and charterers, they only need to engage the brokers, who do a lot of the sifting of wheat and chaff on the industry's behalf. And, in my conversations with the brokers, it was extremely heartening to hear that qualified interest and viewings were very good this year. Indeed, it is not hard to recognise someone engaged in serious conversation, be it client or vendor. It is hard to say, unequivocally, whether the revised start time contributed to this upturn or not. But it certainly kept us journalists occupied offsite, with myriad breakfast press conferences, ensuring any clients that did fancy an early-morning viewing or two could do so in privacy.

As a journalist, the surprise of the show was the purchase of MB92 Group by Squiracle Capital, the owner of OneOcean Port Vell. This announcement, made on day one, sent seismic ripples around Port Hercules, although I should point out that the past few years have been punctuated by so many opening day acquisition announcements that we should really come to expect it every year. However, as a symbolic challenge to the very concept of the 'destination marina', the owners of one of the most famous adding refit infrastructure to its portfolio suggests that the marina + infrastructure model is firmly in the ascendancy.

I'd like to close by saying that, despite the uncertainty about the industry's short-term future, this year's show offered what is the most spectacular showcase of what can be achieved. I, for one, have never seen such a profoundly magnificent array of superyachts on show to the general public in one place. With the likes of *Tis*, *Attila*, *Excellence*, *Syzygy 818*, *DreAMBoat* and *Aurora Borealis* on display, to name just a few, 2019 was the year that the superyacht industry showed the world what it really could achieve.



BY RORY JACKSON

Has the penny finally dropped?

At MYS 2019 one of the most pervading trends was the all-encompassing dedication to sustainability.

In these cynical times that we live in, it can be hard to distinguish between genuinely ethical decisions and blatant attempts to greenwash businesses and industries. In the vast majority of cases, unless you know the decision makers behind various campaigns, it is almost impossible to determine the motivations behind sustainable agendas. However, the first thing that must be said of Monaco Yacht Show 2019 was the noticeable uptake in the fight to support sustainable agendas on the part of the exhibitors, the visitors and the show itself.

Yes, while it may be impossible to determine the extent to which businesses are genuinely engaging with issues of sustainability, my gut instinct tells me that 2019 was a real tipping point for the industry. It wasn't so many years ago that a number of the superyacht market's leaders would turn their noses up at the mere suggestion of sustainable practices; today these same individuals seem to have developed genuine interest in the cause.

What was perhaps most striking was the collective attitude. Indeed, to my discredit, I was quite rightly admonished – albeit politely – by a member of the MYS team at a water-filling point for using a single-use plastic water bottle. The single-use bottle was swiftly replaced by the team member for a reusable alternative. By the end of MYS I was four branded water bottles the richer, gifted to me by a variety of exhibitors and events organisers. While this may sound trivial, each water bottle came on the back of a conversation about the importance of sustainability to the superyacht industry.

Historically, it always seemed that discussions about sustainability were delivered because it was fashionable to do so. Simply being aware of green issues was enough to distinguish one company from another. Today, however, there seems to be far less bravado and pride attached to green discussions. Speeches delivered at MYS 2019 were impassioned and underlined by a sense of immediacy, and this was never more vividly portrayed than by Cyrill Gutsch, founder of Parley for the Oceans, during an exclusive event in partnership with Rossinavi.

“Climate change is a massive issue,” began Gutsch. “The planet is burning up, the oceans are dying, the coral reefs are 50 per cent of what they were. Under this boat, in the waters, there is war. We are killing life at a rapid speed, we are throwing in nuclear waste and plastic; it is a shit-show. We don’t see it because we are dust walkers – we walk on land. We call this ‘planet earth’, if we were fish we’d call it ‘planet ocean’.

“Why should we care? Why are we in danger? We should care because 80 per cent of the oxygen we take in, 80 per cent of the air we breathe, is generated by life in the world’s oceans and seas. Even if you don’t care about the animals in the ocean, we can’t live on this planet with a dead ocean. It’s impossible.”

Gutsch described a world where everything is up for redesign. He explored the idea of a new industrial revolution, a material revolution that will see us drastically rethink what products are made from, how they are sourced and how they give back to the environment. It seems that at last, so far as sustainability is concerned, the penny has dropped and, as if to hammer home the point, Feadship, one of the world’s most renowned superyacht manufacturers, announced that it intends to build only electric superyachts by 2025.



BY BRYONY MCCABE

Embracing disruptive technologies at MYS

We evaluate what was on the agenda for the industry's innovators.

There is sometimes the feeling at the Monaco Yacht Show that companies hoard their innovations and announcements all year in order to present them during the one week when all the superyacht industry congregates, resulting in an overwhelming number of new products and technologies on display. As such, it can be difficult to decipher a clear message about the direction that the superyacht industry is headed. From my experience of MYS 2019, however, there seemed to be an overriding theme of embracing technologies with the aim of usurping traditional practices and improving efficiency across a plethora of superyacht processes.

During DNV-GL Maritime's superyacht seminar, additive manufacturing (also known as 3D printing) was discussed for its potential to revolutionise the way parts, objects and even whole vessels are designed, manufactured and distributed. With the adoption of technology enabling printing in metal, vital spare parts and system components can now be printed on demand in locations around the world, including on vessels themselves. DNV is therefore increasingly interested in the technology's potential to transform the maritime equipment supply chain.

"For the superyacht industry this could mean mass customisation as opposed to mass production – with 3D printing there is no reason why everything you manufacture can't be different," explains DNV's Simon Ratcliffe. "Other benefits for the industry include the ability to use more innovative materials and access to spare parts on demand." Ratcliffe also pointed out that one day it will likely be possible to 3D print superyacht hull forms, which is already happening in the boating market on smaller scale.

There were a number of new technologies being presented at the show that focused on efficiency and optimisation. Bolidt's sensor flooring concept, for example, aims to incorporate artificial intelligence in on-board flooring systems. The sensor flooring can detect the presence of people around the vessel, adding benefits in terms of on-board safety, security and operational efficiency. "The integration of artificial intelligence will be a big thing in this industry," comments Robert Van Aarle, sales and business development manager maritime at Bolidt. "We want the traditional flooring system to be used as more than just a flooring system – that's our aim for the future."

The use of artificial intelligence is also increasingly featuring in other areas of the industry. Being presented to the superyacht market for the first time at the show, OSCAR is a navigational aid system based on artificial vision and intelligence. Developed for offshore racing yachts, OSCAR uses a combination of thermal cameras and artificial intelligence to detect and identify floating objects on the water day and night in order to reduce the risk of maritime collision.

Having recently launched its first commercial training simulation for power management training using virtual reality (VR) technology, V360 Marine was at the show to share how the technology can improve efficiency within crew training. “By providing a simple-to-use, fully mobile solution, companies avoid the need to coordinate crew training as it can be completed on board by the crew themselves,” says V360 Marine’s CEO Sam Slater. “Similarly, training centres and other management companies won’t need to rely on physical mock-ups to deploy the training which can be done in any classroom or workplace.”

As superyachts are increasingly dependent on technology, how to protect them from cybercrime is a growing concern. During MYS, VBH and Atlas Cybersecurity announced a new partnership to provide cyber-security solutions tailored to superyachts. “Superyachts are similar to small-to-medium businesses in terms of the complexity of the systems on board, and these types of businesses are more likely to be attacked by cybercriminals because they are more likely to be successful,” advises Eric Stride, Chief Technology Officer at Atlas Cybersecurity. “We have seen attacks that have hacked the navigation systems on board commercial ships, and expect to see it more and more on superyachts.”

As ever there was innovation to be found in every corner of the show, so rather than recognising a few particular highlights – of which many can be found in SuperyachtNews’ Monaco Yacht Show coverage – this was my main takeaway from this year’s MYS: a feeling of a growing drive and acceptance towards innovations that actually change the ‘how it’s always been done’ mentality, but for the better.



BY GEORGIA BOSCAWEN

More than just champagne and parties

Monaco Yacht Show 2019 wasn't just an accumulation of expensive superyachts, it was the epicentre of our market's activity.

I'm sure that I'm not alone in feeling a change in atmosphere, or more a change in attitude, at the 2019 edition of the Monaco Yacht Show. Even before the show commenced, energy was high and determined, more so than any of the other seven Monaco shows that I have been to prior to this one. But why, exactly?

For me, the show began early on Wednesday morning, when Heesen called its opening breakfast press conference to confirm a series of noteworthy developments at the shipyard, including a new sale and speculative project. Attendance was seriously impressive – and somewhat surprising, given the array of preceding evening events – but make no mistake, there was a genuine and palpable air of excitement in Hôtel Hermitage that morning and it was an air that seemed to remain throughout the duration of the show.

It was also that morning that I first became aware of European investment firm Squiracle Capital's sizeable acquisition of MB92 – news which quickly flooded my Whatsapp and in turn SuperyachtNews. External investment in the superyacht industry sends a solid statement to the market, and this wasn't the only one. In the lead-up to the show, French equity investor Nepteam Group also invested in the Atlantic Refit Center.

My experience of the show was punctuated by a sense of collaboration among industry stakeholders and partnerships which came to fruition during the show. I was lucky enough to sit down with Raphael Sauleau, CEO of Fraser, and Chuck Chashman, executive vice-president of MarineMax, for their first official interview since the US firm acquired Fraser. "We are excited as we grow to realise the true potential between the two companies," said Cashman, outlining the vast potential of these two entities.

Throughout the duration of the Monaco Yacht Show, there were a number of legitimately important announcements, from new projects and sales, to joint ventures and new technological unveilings. In fact, there was so much going on throughout the show that I doubt anyone walking within it could fully absorb the continual stream of announcements and developments, which does lead me on to a slight bugbear in its aftermath.

I can't help but trawl a variety of mainstream media platforms to discover how they perceived the show, and to my annoyance, the majority of news surrounding one of the superyacht industry's most important events focuses on the 'glitz and glamour' of Monaco, rather than the astonishing things that are being achieved in the industry today. My advice to those journalists next year is to look a little deeper if they want to discover what it is that makes this industry tick.

Over the four days, all those in attendance were immersed in activity, bearing witness to a number of astounding new superyachts making their official international debut in the show and a series of unavoidable developments and announcements. It was a display of the industry's renewed dedication towards sustainability, quality and innovation. To clarify, the Monaco Yacht Show 2019 wasn't just an accumulation of expensive superyachts, it was the epicentre of our market's activity.

One person – who for their own safety shall remain anonymous – did say to me that they “weren't blown away by the yachts at the show this year”, and all I can say to that is “You're lucky I'm not a violent person because you deserve to be smacked in the face!” Lürssen's *Tis*, Abeking & Rasmussen's *Excellence* and Feadship's *Syzygy 818* were astonishing builds that were fantastically put together and a true example of the capabilities in the superyacht industry.

For those of you who know me well, you'll know that when it comes to superyachts, it doesn't take much to pique my interest. But be that as it may, the 2019 edition of the Monaco Yacht Show was, for me, a cut above the rest – exciting, inspiring and proof that great things are happening in our industry.



BY RUSSELL COCKERTON

Trickle-down economics

Rounding off our Monaco Yacht Show reviews; with more investment backing the largest players, should we move with caution?

A week on from the show's denouement, as I type this out, the remnants of hurricane Lorenzo are battering the British isles. Rain is hammering on the window and I've been forced to wear a thick North Face jacket to keep somewhat warm and dry – this is a far cry from the overwhelming dockside heat of this year's Monaco Yacht Show.

One of our analysts asked me what the standout feature of this year's show was. Easy. My shoes. Seriously, a decent pair of shoes is crucial. Yes, there were some remarkable yachts at the show – Abeking & Rasmussen's *Excellence*, Lürssen's *Tis*, *Amadea* and *Flying Fox* and Feadship's *Syzygy 818*, to name but a few – but I ambled my way around Monte Carlo, on and off yachts and chalked up 32.7km. That's over 56,506 steps in three days. In the burning sunshine in nothing but a pair of moccasins, with not a blemish on my feet. Credit to the Italians, they know how to make a good pair of moccasins!

Once again, The Superyacht Group abandoned the idea of a stand and instead organised a number of meetings where I and the rest of team connected and engaged with the top tier of the industry. There's a lot to be said for being immersed in the show rather than simply going through the motions (my mistake was to naively arrange meetings all over Monte Carlo).

That being said, the general consensus has been this year's show was a success on many fronts. The exhibiting yachts were of the very highest standard; the 'green agenda' is firmly embedded in the consciousness of yachting and crucially, there is continued investor appetite, and lots of it.

Amaala, the colossal development in Saudi Arabia aimed at the UHNW demographic, was introduced to us in 2018 and it was encouraging to see evidence of genuine commitment to develop the 3,800 sq km space – securing seed funding from the Public Investment Fund of Saudi Arabia (PIF). How successful this development becomes within the superyacht market, of course, remains to be seen. But is it too premature to consider this to be the potential catalyst to ignite notable migratory growth to the Middle East and beyond – to South East Asia?

Of course, the big news from the show was the acquisition of the MB92 Group by Squirle Capital – already buoyed by the success of its acquisition of OneOcean Port Vell. Even now, in the wake of the Monaco Yacht Show conversations investor appetite continues to warm to the idea of further acquisitions, and share purchases. Be it Porto Montenegro’s announcement to commit to doubling in size over the next decade and stake its claim to the eastern Med, at a cost of c.€500m, or Sanlorenzo’s long-awaited IPO. And personally, I find it deeply encouraging to see the superyacht market mature to the point where flotations are now actively sought. Clearly, there is increasing respect for the long-term viability of our market.

However, should we be moving forward with caution? With more capital now backing the largest players, who will be the main beneficiaries? What about the mid-tier innovators - ‘the little guys’? Will we face consolidation right across the market landscape? How active or passive will these investors be?

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