

Yacht Finance and Market Update
MLA Fall Meeting, 2020
G. Robert Toney, Co-chair, MLA Yacht Finance

NMBA Lender Update

Banks are committed to maintaining credit policy standards
Originators and Dealers are seeing tighter requirements
Higher down payments/higher credit scores
Lenders state that forbearance and payment deferral programs have terminated
2021 recession concerns-no delinquency data as of now
Boating becoming a COVID escape, but industry also sees economic shifts
Generation Y buyers becoming boat owners (75% of the market in 10 years)
Lack of vacation/travel spending is a contributing factor

Dealer/Yacht Broker Summary

Market stopped in March/April due to COVID concerns (MLA Spring Presentation)
May through August were record sales and surpassed 2019 numbers
In September sales and financing experienced some stabilization-slight drop off
Nautical Ventures, a new boat dealer reports a 50% sales increase over 2019 (projected)

2020 Fort Lauderdale Boat Show

Dealers and brokers appear to be upbeat over the show
All reported 2020 has been their best year ever
International buyers will not or cannot travel-experienced very low attendance (VIP day)
Some press criticism of a live event, but consumer backlash has not been an issue
Informa offered no reduction in the cost to display at the show
“Safety Patrol” enforcing masks, but social distancing was an issue (dealer booths/yachts)
Breaking News: It was just reported on Friday that the Miami show has been cancelled.

International Yacht Broker’s Association

Report to be more skeptical on the need for a show at this time
Lack of inventory and insufficient need to kick-start the market due to record sales
IYBA holds their own spring show-no decision yet for 2021 show **(10/30 Update-cancelled)**
Upcoming Seminar: Yacht Sales & The Law, December 8-9, 2020 (CLE Credits)

Super Yacht Update (>24m)

Yacht sales are up by +4.2% vs. 2019 and down by -12.9% vs. 2018, and up +26.3% over the average for the last 11 years

Total Value of Sales is up +3.2% over 2019, down by -0.9% vs. 2018 and up +23.93% over the average for the last 11 years

Yacht Finance and Market Update

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Average Value of Sales is down -1% vs. 2019, up +14% over 2018 and down -6.8% compared to the average for the last 11 years

Total market value of sales is **€2,29M**.

24-50m size segment increased (notably 40-50m size segment by 37.8%) - the 50-100m decreased - the 70-100m sector down by 62.5% in numbers, but up +54% for total value (better priced units).

2020 registered the sale of TIS, the only +100m yacht sold so far (compared to none last year). **# of sales in September 2020 are 51.7% above same month last year** - a positive trend that started in July (July 2020 was 25% above July 2019, August 2020 was 110% above August 2019). Sales in the last 3 months out-perform last year by 50.5% (and by 28.1% on 2018).

M/Y TIS



The 2020 market has now surpassed 2019 both in number of sales and value.

Sources/Credits:

Jim Coburn, Coburn Associates
National Marine Lenders Association
Roger Moore, Nautical Ventures
Bob Denson, Denison Yachts
Paul Flannery, IYBA
Josh Gulbranson, Fraser Yachts

FRASER

MONTHLY DASHBOARD REPORT
SEPTEMBER 2020

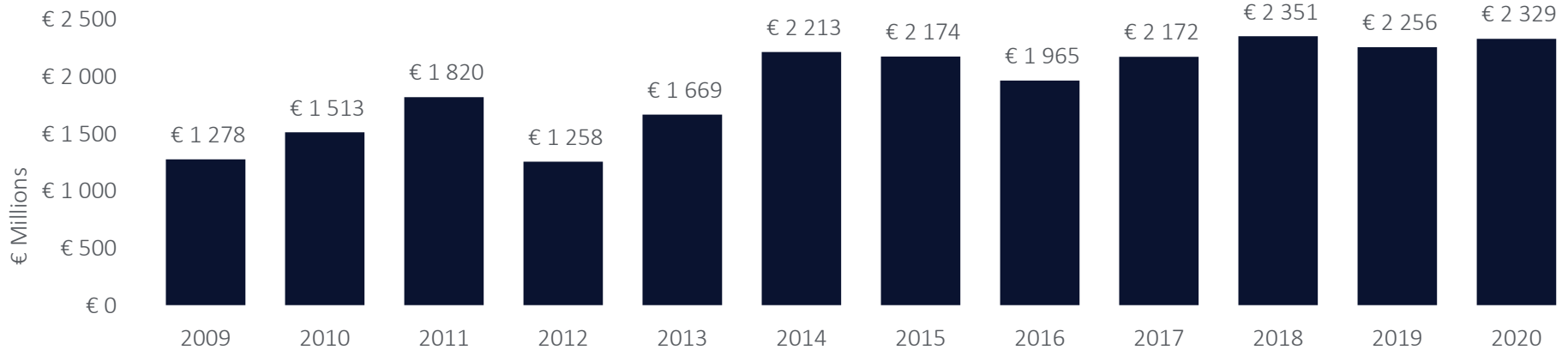


MARKET SALES EVOLUTION

JANUARY - SEPTEMBER (2009-2020) *pre-owned 24m+*

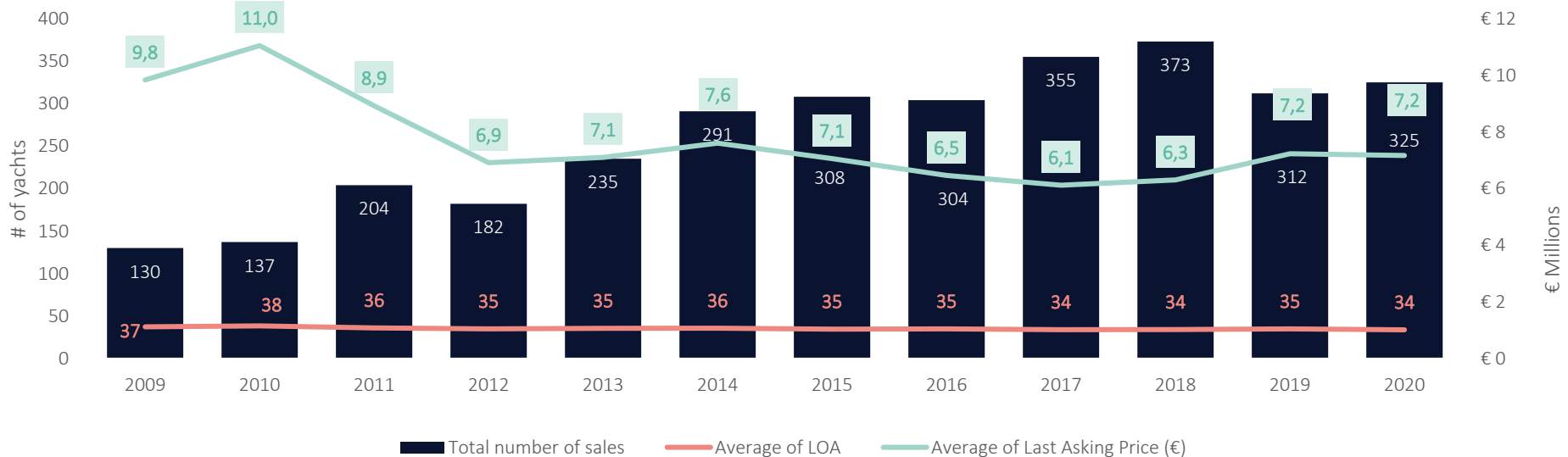


TOTAL ASKING PRICE IN EUR



◆ Fraser represents 13% of the market.

OF SALES & AVERAGE LOA & AVERAGE LAST ASKING PRICE IN EUR



GRAPH 1-2

PRE-OWNED MARKET ANALYSIS JANUARY-SEPTEMBER 2018-2020



NUMBER OF YACHTS SOLD BY SIZE SEGMENT

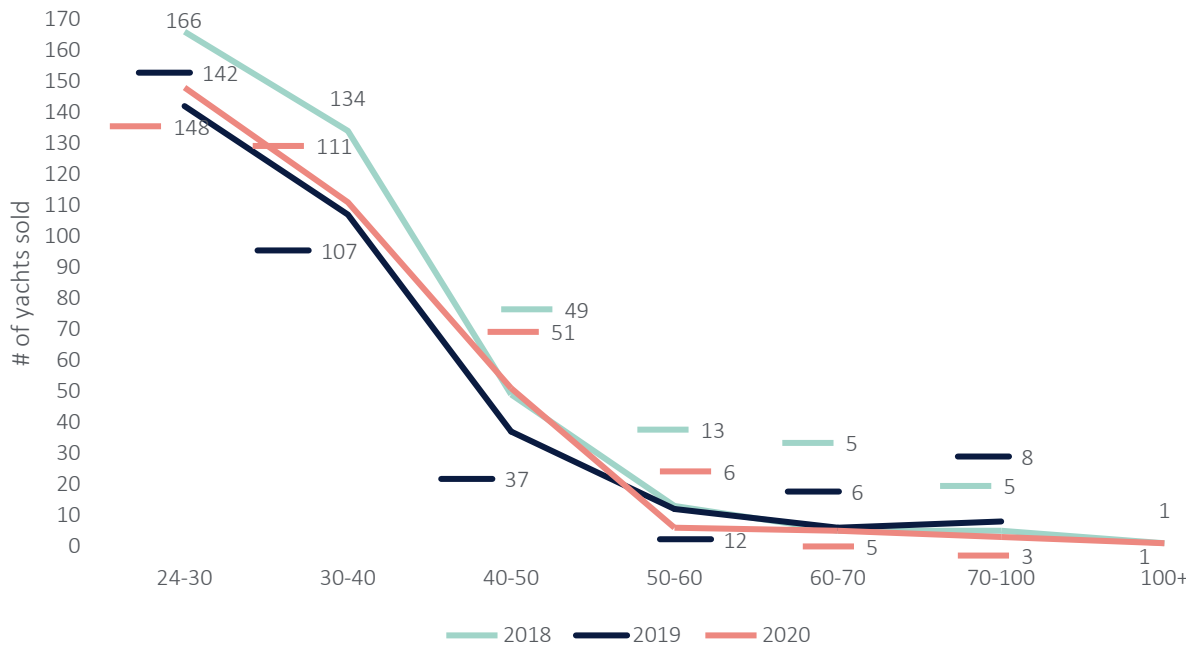
YEAR	TOTAL YACHTS SOLD	24-30m	30-40m	40-50m	50-60m	60-70m	70-100m	100m+
2018	372	166	134	49	13	5	5	1
2019	312	142	107	37	12	6	8	0
2020	325	148	111	51	6	5	3	1
TOTAL YACHTS	1009	456	352	137	31	16	16	2
% of TOTAL YACHTS SOLD by SEGMENT	100.00%	45.19%	34.89%	13.58%	3.07%	1.59%	1.59%	0.20%

NUMBER

	2020 on 2018	2020 on 2019
24-30	-10.8%	4.2%
30-40	-17.2%	3.7%
40-50	4.1%	37.8%
50-60	-53.8%	-50.0%
60-70	0.0%	-16.7%
70-100	-40.0%	-62.5%
100+	0.0%	100%

AVERAGE LAST ASKING PRICE EUR

	2020 on 2018	2020 on 2019
24-30	6%	9%
30-40	7%	-12%
40-50	3%	15%
50-60	2%	-4%
60-70	10%	3%
70-100	142%	54%
100+	10%	100%



GRAPH 3

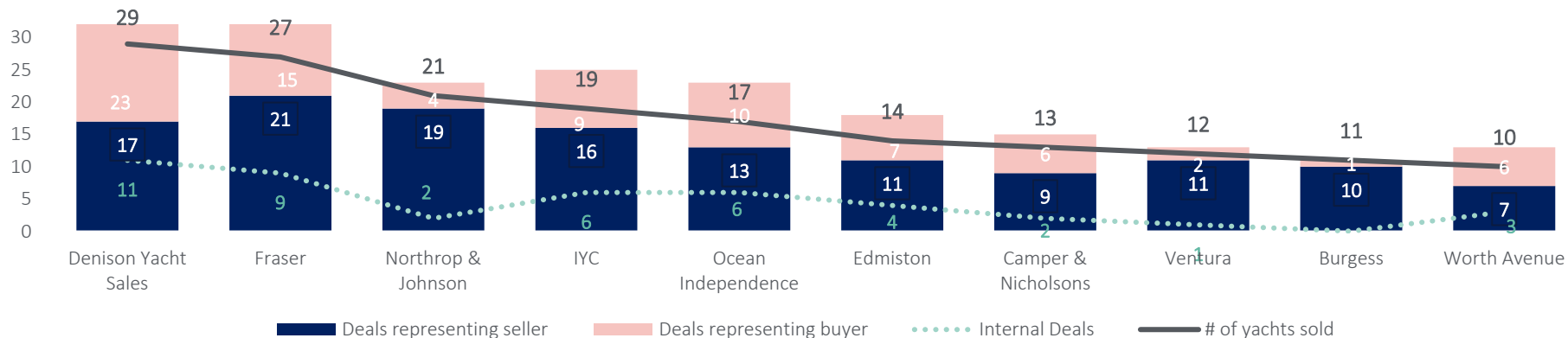
TABLE 1-3

MARKET VS FRASER SALES OVERVIEW

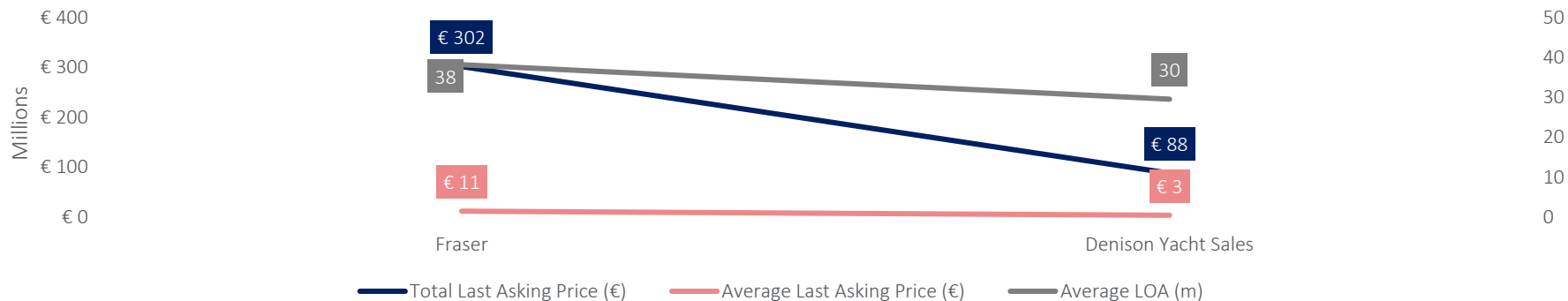
JANUARY –SEPTEMBER 2020 (pre-owned 24m+)



TOP 10 BROKERAGE COMPANIES BY TOTAL DEALS & YACHTS SOLD



- As total worldwide market sales now outpace the same period in 2019, Denison performed well in units sold. Their market however is not quite the same as for Fraser and most of the other Top 9 houses.
- Denison average size of yacht sold was 30m (**13% under the market**), at an average Asking Price of 3M EUR (**58% under the market**) and a Total Asking of 88M EUR compared to Fraser with an average size of yacht sold being 38m (**27% above the market**), an average Asking of 11M EUR (**55% above the market**) and a total Asking of 302M EUR.



GRAPH 4-5

MARKET VS FRASER SALES OVERVIEW

JANUARY – SEPTEMBER 2020 vs 2019 (*pre-owned 24m+*)



KEY TAKE AWAYS – THE MARKET

- ◆ Yacht sales are up by +4.2% on 2019 and down by -12.9% on 2018, and up +26.3% on the average for the last 11 years
- ◆ Total Value of Sales is up +3.2% on 2019, down by -0.9% on 2018 and up +23.93% on the average for the last 11 years
- ◆ Average Value of Sales is down -1% on 2019, up +14% on 2018 and down -6.8% on average for the last 11 years

- ◆ Total market value of sales is **€2.329M**.
- ◆ 24-50m size segment increased (notably 40-50m size segment by 37.8%) - the 50-100m decreased - the 70-100m sector down by 62.5% in numbers, but up +54% for total value (better priced units).
- ◆ 2020 registered the sale of TIS, the only +100m yacht sold so far (compared to none last year).

- ◆ **# of sales in September 2020 are 51.7% above same month last year** - a positive trend that started in July (July 2020 was 25% above July 2019, August 2020 was 110% above August 2019). Sales in the last 3 months out-perform last year by 50.5% (and by 28.1% on 2018).

- ◆ The 2020 market has now surpassed 2019 both in number of sales and value.

MARKET VS FRASER SALES OVERVIEW

JANUARY – SEPTEMBER 2020 vs 2019 (*pre-owned 24m+*)



For more information contact your Fraser broker.