

VEEM staff see profit in 22pc premium on market listing

■ Sean Smith

About 40 staff who bought into the float of VEEM are sitting on a quick profit after the precision engineering company's strong debut yesterday.

VEEM's shares defied the plunge by the broader market to close at 61¢, a 22 per cent premium to their 50¢ issue price, after hitting a peak of 62¢. The performance, on volume of 2.55 million shares, revealed the Canning Vale-based group at \$79 million.

Its 360 new shareholders include about 40 of its 180 staff, an impressive show of support



VEEM director Ian Bardsden, with Mark, Brad and Daniel Miocevic.

given the workforce covers unskilled and part-skilled workers lacking the disposable income of many investors.

Founded by the Miocevic

family in 1968, VEEM has gone from making and repairing drive shafts to turning out finely toolled parts for the defence, maritime and industrial sectors.

The company's initial public offer through Euroz raised \$25 million from the combination of an issue of new shares and a \$20 million sell-down by the Miocevic family, which retains 61 per cent of VEEM.

The raising was taken up by a mix of institutional, retail and sophisticated investors, including fast-food billionaire Jack Cowin, whose Austral Capital was listed as holding 250,000 shares in VEEM's initial filings.

Defence work, including making hull valves for Australia's fleet of Collins-class submarines and fin stabilisers for the US

warships built by Austal, helped establish VEEM's reputation.

However, a major current focus of brothers Brad and Mark Miocevic, chairman and managing director respectively, is on pursuing new sales for VEEM's proprietary marine propellers and gyrostabilisers.

The latter, which reduce the rolling motion of ships, target super yachts, luxury cruisers and offshore supply vessels.

The first hurdle, however, is meeting its financial targets. VEEM's prospectus forecasts a \$4.81 million net profit for 2016-17 on revenue of \$46.77 million.