



INCREASED FACILITY GIVES LEADING LUXURY YACHT DISTRIBUTOR MORE LEEWAY

Forward thinking finance.

THE STORY IN BRIEF:

- For several years, Lombard has provided a stocking finance facility to Sunseeker London, a leading distributor of Sunseeker Yachts.
- The stocking facility enables Sunseeker London to temporarily acquire yachts for onward sale without compromising cash flow.
- Over the past two years we have significantly raised this credit facility to the extent that we are now their principal provider for this type of funding.
- We also created bespoke terms and conditions that give more flexibility in terms of the location and size of yachts that can be funded.



FACT FILE:

Sector: Marine leisure

Location: London

Turnover: £100m - £250m

Purpose: Sunseeker London held stocking finance facilities with both Lombard and a US bank. When the latter re-focused its lending activity away from Europe, Sunseeker London approached Lombard with a view to increasing the level of facility we provided.

Solution: A six-fold increase in the stocking finance facility, enabling Sunseeker London to continue to acquire and sell on new and used yachts while preserving cash flow.

Get in touch, visit lombard.co.uk or
call 0800 502 402 or Text Relay 18001 0800 502 402

Lines are open 9am to 5pm Monday to Friday. Calls may be recorded.

You should seek independent advice to determine if this product is suitable for you.

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Finance is only available for business purposes.

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Read the full story...



“ Lombard marine finance really understands the leisure boat market and has provided Sunseeker London with growth opportunities in the 20 countries that we hold distribution rights for. ”

David Lewis, Joint MD, Sunseeker London

Charting a course for success

Sunseeker. The name epitomises luxury and is revered as a symbol of yachting power and prowess. It's also a proudly British brand, for which Sunseeker London is the leading distributor for the UK and more than 20 countries in Europe and North Africa.

Over the past decade, Sunseeker London has built a close relationship with Lombard. A key element is our provision of a stocking finance facility to help preserve cash flow. The facility is an on-demand credit arrangement which enables the business to temporarily buy Sunseeker yachts (the 'entry level' price of which is well over £1m), repaying the loan once they sell the vessel on.

Previously, Sunseeker London used a US bank for most of their stocking facility but when that bank reduced its lending activity in Europe, they turned to us. "We had already indicated our appetite to raise their credit facility," explains Joe Dalton of Lombard, "and in fact we've increased it six-fold over the past two years."

"Lombard is now our principal stocking facility provider," says David Lewis, Joint MD, "and this is in part attributable to their willingness to be flexible, for example in allowing the fund to be used for yachts outside their usual jurisdiction." To explain what this means it's necessary to understand that for ease of recovery and enforceability, our lending policy for marine assets usually only covers vessels flagged and registered in UK or EU waters. "However," as Joe explains, "Sunseeker London operates in other areas,

including Turkey and Montenegro for example. So, for this agreement we've gone further to examine the risk and 'stretched' our appetite to lend in these jurisdictions. We've also approved use of the funding for larger yachts (30m+) – another exception to our normal terms – to ensure the facility really meets their needs."

"Lombard understands the leisure marine market and know that boats need to be able to move around" confirms David. "The flexibility in the funding agreement enables us, for example to move a yacht from a boat show in Cannes to another in Croatia, increasing our access to potential markets."

He recognises that Lombard adds values in other ways too, saying "For example, because they provide marine asset finance to the end customer, there is merit in them being on hand at some of the events we attend." This thinking led Joe Dalton to join them at Düsseldorf International Boat Show and there are plans to repeat this at other shows. As Joe says, "Helping prospective buyers understand how marine finance can make their yachting dreams come true benefits all parties."

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