

SO, TELL ME ABOUT SEAKEEPER

Seakeeper is changing a fundamental human experience by making boating more accessible and enjoyable for everyone, from the veteran boater to the first-timer.

- In my opinion, the greatest introduction to recreational boating since the outboard engine. The outboard engine revolutionized vessel design and usage in the early 1900's and Seakeeper is doing the same today.
- Using innovative technology, Seakeeper essentially creates a land-like experience on the water.
- Eliminates up to 95% of boat roll on boats 27 feet and above.
- Builds on proven innovations and technologies from the space program and auto industry.
- American-based company, with all assembly and most of the components being done in the USA.

Vision: 71% of our planet is covered by water. We want everyone to make the most of it.

Mission: Create products that transform the boating experience, with an organization that employees want to work for, customers want to buy from, and vendors want to partner with.

THE COMPANY

Tell me more about the company.

- Founded by Shep McKenney, former owner of Hinckley Yachts and inventor of JetStick technology, and John Adams, renowned naval architect specializing in motion control.
- More than 8,000 Seakeepers sold since 2008.
- On track to sell more than 2,800 Seakeepers in 2019 alone and 12,000 in 2021.
- Supplies to more than 200 OEM brands.
- Since selling our first Seakeeper in 2008, we've grown from a staff of fewer than 10 to more than 200 employees.
- Seakeeper is an organization that values its employees, customers and suppliers and will continue to strive to be a good partner while growing our business and changing a fundamental human experience.

Who owns the company?

- Madison Industries (madison.net) is the majority owner as of April 2018. Co-founders Shep McKenney and John Adams remain on the board, with McKenney serving as the board chairman.
- Madison Industries invests in entrepreneurial companies and is relatively "hands-off," allowing Seakeeper's management to run day-to-day operations. They buy companies with the intent of owning and supporting them long-term.
- Madison Industries, led by Founder, President & CEO, Larry Gies, builds entrepreneurially-driven, branded market leaders that are dedicated to making the world safer, healthier and more productive by creating innovative solutions that deliver outstanding customer value.

The team at Madison is committed to building something truly remarkable that long outlasts them while coaching others to reach their highest potential.

What's the company's annual revenue?

- Privately owned, but can tell you that we've sold more than 8,000 Seakeepers since 2008.
- We're on track to sell more than 2,800 Seakeepers this year alone.
- Averaging 30% increase in shipments per year.
- Assembly and most components are made in the USA.
- Reinvesting heavily into new products and new markets

What are the company's future plans?

- We're focused on growing our product line, bringing the most efficient and effective stabilization product to every segment of the boat market.
- Product portfolio will reach boats as small as 20-feet within the next three years, with plans to get into even smaller products and boats in the future.

What distribution model does Seakeeper use?

- We use a direct sales model approach and offer a world class support network which has now trained more than 1,300 individuals and spans every major marine port in the world.

Product portfolio, expanding into other areas

- Focusing on what we do best, which is eliminating boat roll.

HOW IT WORKS

What is a Seakeeper exactly?

- The first practical gyro stabilizer, meaning it eliminates boat roll at rest and underway with no external appendages, and most importantly minimal power.
- It's a computer-controlled gyroscope.
- The flywheel spins at speeds up to 9,700 rpm (that's roughly 557 mph (896 kph))—nearly mach speed—with razor-thin margins of precision—just 1/100th of a mm—all in a self-contained vacuum, using minimal power.
- Uses smart technology—active controls and a proprietary cooling system that adapt automatically to changing sea conditions.

How does a Seakeeper actually work?

- Inside a vacuum encapsulation, a flywheel spins at speeds of up to 9,700 rpm. When the boat rolls, the Seakeeper tilts fore and aft (precesses), producing a powerful gyroscopic torque to port and starboard that counteracts the boat roll.
- Due to the vacuum containment, we have been able to spin the flywheel three times faster, cut its weight by two-thirds, and halve the power requirements. The vacuum also allows us to protect the most critical components (flywheel, bearings, and motor) from the marine environment and prevent corrosion.

PRODUCT SPECIFICS

Key Benefits

Active Control

- Smart technology that allows the Seakeeper to actively sense sea conditions and adjust performance accordingly.
- Allows Seakeeper to be used in all sea conditions.
- Other gyros on the market rely on passive control, meaning you set the gyro for a certain sea condition and should those conditions change, the gyro might not achieve optimal results and must be turned off in the roughest conditions.

Vacuum-Sealed

- Vacuum encapsulation enables...
 - Flywheel to spin 3 times faster
 - Cuts flywheel weight by two-thirds
 - Cuts power requirements by 50%
 - Forever isolates critical components (flywheel, bearings, and motor) from harsh marine environment

Cooling System

- Our patented cooling system removes heat from within the vacuum enclosure and dissipates it through a glycol/seawater combination.
- This enables the flywheel to spin at an extremely high rate of speed, providing ultimate performance in the smallest and lightest package possible.

Weight

To be able to steady 100+ -foot yachts, these things must be heavy. How much does a Seakeeper weigh?

- Depends on what model, but the unit accounts for a small percentage of a boat's overall weight. For example, in the Sea Ray 590 (70,000 lbs) the Seakeeper 9 (1,200 lbs) equates to a little less than 2% of the weight of the boat.

Does it effect the boat's speed or efficiency?

- Anytime you add weight to your boat it will have some effect on the speed of your boat. We have not found a considerable effect on boats' speed or efficiency.
- By housing the flywheel in a vacuum enclosure, we are able to dramatically reduce the weight.
- If boat performance was a concern, boat manufacturers would not install it in their boats.

Cost

Sounds expensive. How much does a Seakeeper cost?

- When you're investing in something as costly as a boat, why be uncomfortable? Seakeeper is becoming more necessary in boats than a navigation system is in a car.
- Retail prices start at \$22,700 for our smallest model and go up from there.

Spool Up

Doesn't it take a long time for this thing to spool up?

- About 30 minutes. When you think about all the time that goes into prepping and planning to go out to sea, the Seakeeper will be fully ready before you're in open water.

Recreational vs. HD Lines

What's the difference?

- The HD line is intended for the rigorous offshore use – more than 1,000 hours per year – of commercial and military vessels that are often out for several days at a time in harsh conditions.
- It has the same footprint as its recreational counterpart, however by spinning the flywheel ~20% slower we deliver a product capable of handling the extreme hours and conditions faced in commercial and military applications.
- The HD line comes with a more robust warranty, offering a four year/4,000 hour warranty on major components.

Why doesn't my charter fishing vessel or sportfisher need an HD product?

- We are constantly evolving and improving the product and its longevity. Our recreational line is currently installed on thousands of sportfishing boats ranging from 27 ft. to more than 90 ft. The HD line can be installed on recreational vessels depending on available space, use of the boat, and boat specifications. Our top priority is to equip any boat with a unit capable of reducing +80% of boat roll. Your local Seakeeper sales representative can help navigate this decision and point you in the right direction.

PERFORMANCE

Does Seakeeper work underway?

- Yes, Seakeeper nearly eliminates resonant roll at all speeds, but a Seakeeper won't correct static heel or bow steering. Of course boats spend most of their time at rest, and it is at-rest and during slow speed operation when boat roll is most problematic and a stabilizer is appreciated the most.
- Our customers also report that due to Seakeeper, they now enjoy traveling at displacement speeds with less noise, less fuel, and now with less roll, and they can enjoy the journey not just the destination.

It's one thing to steady a boat on calm water, but is a Seakeeper as effective in rough sea conditions?

- It's proven under the toughest, most severe conditions in the world with high levels of precision. Even the transfer vessels that service wind turbines in the North Sea depend on Seakeeper for safety and stability. Crews won't go out without a Seakeeper.

You're telling me it eliminates 95% of all boat roll, but what does that really feel like? Can I really just walk around the boat without getting knocked around?

- You really can and the only way to fully understand what the Seakeeper is capable of is to get on a boat—there's nothing that compares to experiencing it in action. Once you feel it, you'll never boat without it. Visit our website, seakeeper.com, and sign up for a demo ride. Everyone is welcome!
- Seakeeper believes in being transparent in everything we do, but especially the performance of our product. That is why we have more than 200 sea trial reports detailing the performance

of our system in various sea conditions globally so everyone can see just how well Seakeeper works.

SIZING & MODEL SELECTION

Why does the brochure say that the Seakeeper 9 handles 50-59' boats, why does my 45 Hatteras needs two Seakeeper 6 units?

- The vessel size range in the brochure and on the website is an approximation and guide to understand the general size that each unit is designed for. There are other factors in addition to length that dictate the Seakeeper model for a given vessel, such as hull type and typical operating conditions. It is best to talk with Seakeeper directly or one of our trusted dealers to gain a better understanding of the appropriate product and expected performance on a given vessel.

Are two Seakeeper units better than one?

- Some vessels may not have the room for one larger Seakeeper unit, therefore we explore the option to install multiple smaller units in the space available in order to equal the necessary angular momentum.

BOAT TYPES & BOATING INDUSTRY

Doesn't this go against the concept of growing boating and making boating less expensive?

- Seakeeper makes boating more accessible and more enjoyable for more people. By nearly eliminating boat roll, it significantly reduces seasickness, anxiety, and fatigue that even the most veteran boater can experience. It makes it possible for children, older boaters, and those with physical disabilities to spend and enjoy time on the water. People are getting more use out of their boats since family members that might otherwise not want to or be able to go, now can.

What type of boats can Seakeeper be installed on?

- Seakeeper is quickly becoming a must-have item with more than 50% of new boats in our core market being built with Seakeeper installed...that's faster than the adoption of air conditioning in cars when first introduced to the market!
 - *Internal side note:* core market = 50-65' boats (Seakeeper 9). This is due to how long we have had a product in the marketplace for these boats.
- Recreational, luxury, superyacht, sportfishing, trawler, commercial, military...

What are some of the major brands Seakeeper has been installed on?

- Scout, Boston Whaler, Sea Ray, Ferretti, Azimut, Heesen, Viking, Princess, Regal...many more!

REFITS

Can I install a Seakeeper on my current boat?

- Most compelling testament to the success of the product. Owners are willing to endure the disruption of not having their boat for a time and making modifications to the boat in order to have Seakeeper aboard.
- Most models and brands are being engineered with Seakeeper in mind, which will dramatically reduce cost of refits.
- Smaller models can be installed on the deck level inside a customized leaning post. This makes installation more practical for small, center console boats.
- Refits account for ~25% of overall orders and continue to grow, especially in smaller boats.

How much does a refit cost?

- Depending on the complexity of the installation... do not give specific price... direct to a dealer

How long does the refit process take?

- 1-3 weeks, depending on the complexity of the installation.
- With a leaning post installation, the refit process can be reduced to a matter of days since no structural modifications are required.

SERVICE/MAINTENANCE/WARRANTY

Where do you go to get a Seakeeper serviced?

- We believe in supporting a top-of-the-line product with top-of-the-line service. Our service team responds to every service request within 24 hours in order to set up an appointment.
- Partnered with premiere dealers across the globe to have a top-notch worldwide service network. Find a dealer near you at seakeeper.com/find-us/.

I've heard you had some tech problems in the past, where do things stand now?

- As with any new product, we had some kinks to work out when we started manufacturing in 2008, but we've learned a lot in the process of making the more than 8,000 units that are out in the field. We've set the industry gold standard with our global service team, available to every one of our clients. We believe in our products and stand by their performance and our repeat clients are a testament to that.

What kind of maintenance is involved?

- The Seakeeper is designed to require minimal maintenance as most of the critical parts operate in a sealed environment. External of the sphere, the closed loop hydraulic circuit and cooling circuit should be periodically inspected and serviced per the operating manual provided with the unit.

What sort of warranty is included?

- Seakeeper's standard warranty:
 - REC LINE: 2 year/2,000 hour standard warranty
 - HD LINE: 4 year/4,000 hour standard warranty on major components (sphere)
2 year/2,000 hour standard warranty on all other components
- Extended Warranty Options:
 - Recreation Silver Extended Warranty: 2 year extension

- If you're using your boat approximately 500 hours or less per year, the silver extended warranty will ensure you don't run out of time on your warranty before you run out of hours.
- From \$1,351 for the Seakeeper 2
- Recreation Gold Extended Warranty: 2 year extension + 1,000 hours
 - If you're using your boat up to 750 hours per year, the gold extended warranty give you more all-around coverage so you don't run out of time or hours.
 - This is the best extended warranty value!
 - From \$1,930 for the Seakeeper 2
- HD Platinum Extended Warranty: 5 year or 6,000 hours complete coverage
 - From \$6,330 for the Seakeeper 5 HD
- Price varies dependent on model.

How long does the product last?

- The major wear item that eventually will need overhaul are the bearings that house the flywheel inside the sphere.
- Life of the bearings will vary depending on the Seakeeper model and load, but for products shipping today, the average is ~6,000 hours.

Where can I buy spare parts?

- Direct from Seakeeper or via a Seakeeper dealer.

COMPETITION

Who are your competitors?

- We see ourselves as our biggest competitor; we're constantly pushing ourselves to make a better product and offer the best possible customer service.
 - An example of this is our original M7000 launched in 2008. It would still be by far the most efficient and best performing product in the market place today, but we continued to push ourselves. Today have a product 20% smaller with 30% better performance.
- While there are other companies making gyroscopes to stabilize boats, not one of them has been able to achieve the level of performance we have for a given weight and power or have they seen much acceptance in the marketplace—Seakeeper is virtually synonymous with gyroscopic stabilization.

Why is Seakeeper measured using angular momentum?

- Angular momentum (N-M-S) is, for gyroscopes, the equivalent of horsepower for an engine, which is why it is the accepted measure of gyro capacity. Other manufacturers rate their product using different measurements which do not accurately represent the stabilization or efficiency.

How does Seakeeper's performance compare to other gyro manufacturers?

- Horsepower-to-weight ratio is a commonly used metric for engines, the same can be used here. Angular momentum-to-weight ratio is the system angular momentum divided by the

system weight and is the best metric to compare the efficiency of two gyro systems. For example:

- Seakeeper 9 weighs 1210 lbs. generating 9,000 N-M-S (7.4 N-M-S per pound). To compare, MC2X 25K weighs 1,940 lbs. generating 8,293 N-M-S (4.2 N-M-S per pound). Seakeeper generates 76% more angular momentum per pound. That would be like comparing (2) 300 horsepower outboards, (1) weighs 600lbs and (1) weighs 1,075 LBS, the lighter providing 76% more HP per pound. Which engine would you buy?

INSTALLATION

Where does it get installed?

- Virtually anywhere, from a performance point of view
- For small boats, the ideal location is under leaning post...easy to install and access, puts it at the center of gravity.
- Does not need to be on the centerline.

NEW PRODUCT DEVELOPMENT

When is the next Seakeeper coming out?

- Our engineers are constantly working to refine our technology for smaller and smaller boats, and we plan to launch a new product each year. Our team is currently fine-tuning our next product release, including the model name and exactly what size of boat it will be ideal for. As it is still in development, we are not ready to release further details at this time.

When will you have a product for 20-foot boats?

- We hope to have a model for 20-foot boats by 2021.

SEAKEEPER 2

- For 27- to 32-ft. vessels, up to 7 tons
- 25% lighter than the Seakeeper 3 (414 vs 550 lbs)
- 20% smaller by volume than the Seakeeper 3 (12,648 in³ vs 16,281 in³)
- Dimensions: 24.8" L x 25.5" W x 20" H
- MSRP: \$22,700
- Runs exclusively on 12-volt DC power
- Three things are critical on small boats...weight, footprint and power...we've designed a product to meet all those needs on small boats.