

Acquisition Opportunity

Stark Bros. Limited



Overview

Stark Bros. Limited ("Stark Bros.") is a widely recognised and strongly developed brand.

The Company is considered one of the leading ship repair and marine engineering service providers to both New Zealand customers and also for international companies with ships visiting Lyttelton, New Zealand.

Investment Highlights

- Solid base of national and international customers
- Widely recognised and strongly developed brand
- Wide array of service offering
- Strategic location of operational business properties

Established and experienced

Stark Bros. has operated and served the marine industry from the Port of Lyttelton in Christchurch, since 1958. The Company has provided assistance in the dry docking of ships in Lyttelton, for over 60 years, for its own customers, direct to ship owners and to its competitors, ensuring the safe location and shoring of all vessels entering the dry dock. The management, staff, facilities, equipment and location of the business combine to give an extremely competitive edge in the ship repair dry docking industry in New Zealand. Repeat customers make up a large portion of the work the business carries out and is a testimony to the high standard of service delivered on a regular basis.

Stark Bros. offer solutions in ship repair, dry docking, marine engineering, boat building and transport for a range of vessels, including fishing vessels, tugs, barges, container ships, bulk carriers, cruise ships, tankers, super yachts over 50 metres in length and other specialist vessels that may require afloat servicing or dry docking.

Services Provided

As a full service ship repair business, Stark Bros. is able to provide a seamless and streamlined service to clients, from the smallest to the largest of jobs.

The Company has access to the complete range of sub-contractors required to complete or assist with any job, including the carrying out of electrical, electronic, hydraulic, preparation & painting, specialist machining, refrigeration, upholstery and carpeting work and has access to specialist and routine product suppliers on a 24/7 basis.

Stark Bros. has two workshops adjacent to the dry dock, as well as a heavy engineering facility and transport depots in Lyttelton. It operates further storage and warehouse facilities in the Christchurch suburb of Bromley, some 10 minutes drive from the Port. Stark Bros. is able to deliver timely receipt, storage and delivery of equipment and materials in conjunction with carrying out major repair contracts.





Customers

Customers are wide and varied from small privately owned entities to large scale New Zealand based corporate businesses, multi-national shipping lines, international fishing companies, ship agents and other vessel owners.

The existing client base is made up of hundreds of clients, with the top 10 clients in any one year usually accounting for circa 50% of revenue.

Generally dry docking is required twice in five years in order to expose the underwater parts of the vessels for inspection, repair and maintenance. However, some vessels require dry docking only once in a five-year period and others dry dock more regularly. Therefore, the top ten clients change from year-to-year.

In the past, unexpected significant jobs have been encountered at least on an annual basis.

Stark Bros. has a schedule with a number of ships booked into the dry dock over the next five+ years

The types of customers include: Domestic and International fishing companies, mussel companies, port companies, tourism vessels, infrastructure and building companies, transport operators, international container, bulk and livestock carriers

The Transaction

The intention is that the business activities and some or all of the facilities of Stark Bros. Assets will be sold to allow the purchaser to continue a seamless operation.

This encompasses the business activities of:

- Ship Repairs, dry docking and marine engineering.
- Transport and storage.
- Boat building.
- Specialist supplies (subject to stock purchase).

The assets to be included in the sale are:

- Soft assets
- Vehicles (Boat Building and Transport divisions)
- Plant & Equipment
- Stock
- Essential Properties (adjacent to dry dock)
- Non Essential Properties (Transport & Heavy Engineering)

The Transaction

Armillary Limited has been appointed by Stark Bros. to manage the transaction process.

Armillary is seeking expressions of interests from parties interested in acquiring the assets of Stark Bros. Further details on the opportunity are set out in an Information Memorandum (IM) to be provided to parties who have executed a Confidentiality Deed. Parties receiving the IM will be invited to submit a non-binding indicative offer.

All contact in relation to this process should be directed to:

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Disclaimer

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