

Ship & Shore receiving more acquisition approaches; could weigh outside capital this year, CEO says

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Ship & Shore Environmental, a manufacturer of thermal oxidizers, air abatement systems and other pollution control products, has received frequent M&A interest, said CEO and sole owner Anoosheh Oskouian.

The Signal Hill, California-based company, with around USD 15m in annual revenue, passed on an offer from an undisclosed larger strategic a few years ago, she added.

Approaches for the 20-year-old company have increased since the outbreak of COVID-19, she acknowledged.

"I get on average one call a day," she said. The virus "sort of awakened [the need for] a cleaner Earth in a lot of people."

So far, Ship & Shore has "politely declined" these overtures, but could entertain a sale once its revenue hits USD 50m, said Oskouian.

In the shorter term, Ship & Shore has begun "serious conversations" with a potential advisory firm about expediting R&D for an airborne germ treatment system, she added. That plan could entail raising capital of around USD 3m to USD 5m, potentially as early as this year, she said. The money could come from venture capital groups or any firm that "wants to see the product stay alive," she said.

It will likely take five or ten years for this product to get to a level that is "most lucrative," at which point a sale would make more sense, she projected. "I would want my key people to benefit" from a sale, she added. She declined to speculate on which larger players Ship & Shore could potentially fit with.

"We had [this technology] on the table for a while, we had a group of engineers looking at it, but when we realized China was facing [the virus], I started dusting off the drawings and I'm hoping to have a prototype made soon, with the latest and

greatest technology," she explained. "We may be able to use it for a lot of industrial and commercial spaces that people have to go back into [post-virus], and make sure they are comfortable going back."

The company, which also provides engineering, software and repair services around its systems, serves the aerospace, automotive, chemical, food and beverage, storm water decontamination, soil remediation, meat rendering, oil/gas, packaging and refinery sectors, among many others.

While the oil/gas, airline and aerospace segments have been hit particularly hard in the crisis, Ship & Shore has seen overwhelming demand from the food production and plastic container and bag manufacturing industries, said the CEO. "Plastic, though it was once frowned upon, is truly one of the things saving people's lives," she added. "If you have carry-out bags at a grocery store, you're in less contact with anything that may have been contaminated."

"Food consumption is going way up [during the crisis], and some manufacturers are working three shifts," she noted. If, during that crunch time, their equipment malfunctions, Ship & Shore can help them remotely figure out what caused the shutdown. It is crucial to assist factories with following environmental protocols in California, known for its strict mandates, she added.

Ship & Shore recently announced a Controls Upgrade Program, which Oskouian explained will help manufacturers fix assembly line problems more quickly from remote locations and/or with fewer staff on-site, to stay safer during the virus.

Oskouian said she herself "goes to the office with a minimal staff. Most of them work remotely from different parts of the country." When employees have to go to a site for an emergency, it is ensured that they will be working at safe distances, she added.

Ship & Shore has been operating in China, where there are major pollution problems, for several years, and has recently launched in Thailand as Southeast Asia is another region in great need of pollution control, said Oskouian. Once the crisis subsides, the company hopes to penetrate the India market, where it has starting getting many requests, she said.

Though it anticipates a general slowdown from the coronavirus, the company hopes its revenue will at worst remain flat this year, as "we work with very large companies," she added.

Among its customers are skylight manufacturer **Bristolite Daylighting**, she noted.

One of its competitors is Germany-based **Duerr** [FRA:DUE], which has facilities in the US, said the CEO, though she added that Ship & Shore's products are more customized. It differentiates itself from rivals by doing "everything in-house, from initial design assessment through engineering. People like to have a one-stop shop."

Its law firm is **Murtaugh Treglia Stern & Deily**.

by Sam Weisberg