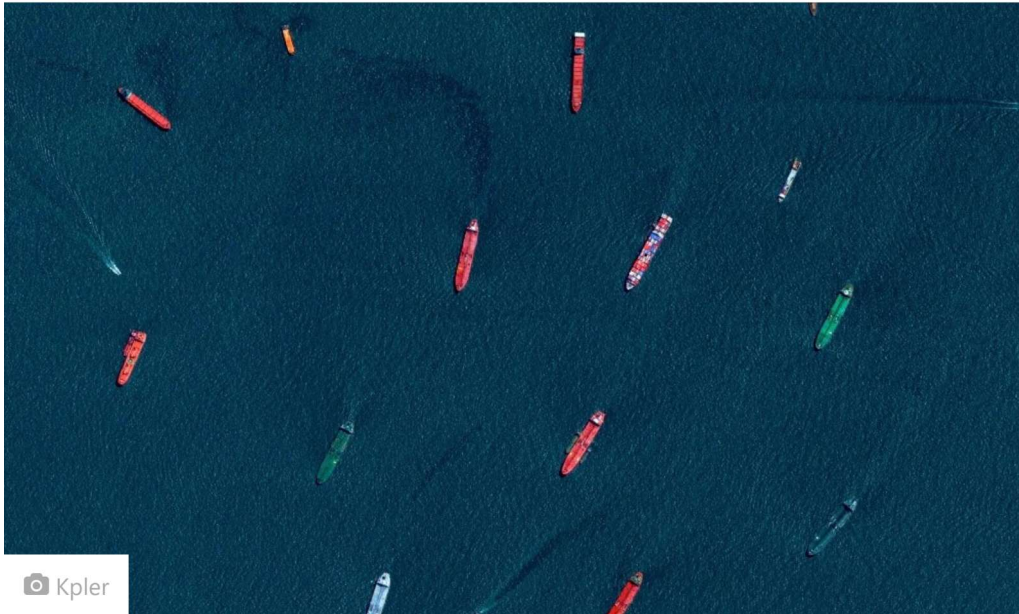


The year's top consolidation news

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Manish Singh from Aboutships provides readers with a review of maritime tech and services consolidation.

The year 2024 has proven to be an eventful year for mergers and acquisitions in maritime services and technology. The deal log is too long to include here so the following examples are not exhaustive, chronological, or indicative of relative impact but merely demonstrate the frequency and variety of new partnerships (re)shaping the maritime services market map.

- Abu Dhabi's ADNOC Logistics & Services group's acquisition of Navig8 Group reportedly reached valuations of ~\$1.5b and deepened its capabilities in the petro-energy services space.
- Lloyd's Register's acquisition of Ocean Technologies Group from Oakley Capital, with a view to combining OTG with OneOcean, which it acquired in 2022 to build a leading portfolio in maritime enablement and software space.
- Kpler, backed by earlier investments from Insight partners and Five Arrows, has become a formidable aggregator in the maritime intelligence space, most recently acquiring Spire Global's commercial maritime business building upon several prior bolt-ons.
- ZeroNorth's impressive expansion continued in 2024 with recent bolt-ons in data analytics, bunker management, vessel performance solutions and voyage optimisation
- Transactions enablement leader Marcura appeared to invest 2024 in integrating their 2023 acquisition of Shipperserv and will be a consolidator to watch for in 2025.
- Cargo systems specialist MacGregor was acquired by Nordic private equity (PE) firm Triton from Cargotec for a valuation approaching €0.5bn.
- V.Group's sale to a consortium led by STAR Capital, Ackermans & van Haaren and others.
- DNV strengthening its lead on broad-based maritime assurance businesses through its acquisition of CyberOwl.
- PE-backed maritime communications leader Marlink's purchase of Port-IT
- Prominent OEM ABB's expansion in weather routing through acquisition of DTN's shipping business.
- Korean giant Hyundai's subsidiary HD Hydrogen acquiring Finnish fuel cell maker Convinion.
- OSM-Thome's merged platform, continuing to add (organically in 2024) shipmanagement and marine services operations.
- Sedna's continued organic scaling and acquisitions including Nordic IT creating an aggregator for the maritime communications space.

- Ripple Operations taking a page out of the maritime SaaS suite book and acquiring AdonisHR to merge with its existing capabilities
- Star Information Systems and Premas combining to scale backed by Norwegian PE Longship.
- Weilbach's acquisition of 51% of emissions reporting system start-up OceanPass
- AST Networks' acquisition of vessel performance optimisation company Reygar

Market dynamics

Whereas 2024 was a busy year, most maritime M&A saw weaker bid competition and more measured valuations than initially expected. Reasons appear varied and whereas many are macro in nature such as PE liquidity, geopolitics, high-profile incidents, etc, by and large maritime businesses seeking to transact in 2025 and beyond will need better market education than their teams and investment banks have done in 2024. We also see greater roles for maritime strategics and partnerships between institutional PE investors and blue-chip names in the trade.

However, it is not a case of either/or. We believe bigger strides on maritime decarbonisation and digitalisation will require greater partnerships between maritime strategics and PE investors.

Large maritime signatures that could be among venture backers in the near term, include names such as Maersk, CMA CGM, COSCO Shipping, Eastern Pacific, Hapag-Lloyd, K Line, J Lauritzen, Viasat Maritime, MOL, Nine Realms, MSC, Shell Ventures and a multitudes of regional ship owner/operator groups venturing into venture investments. We are also seeing greater syndication among early-stage business platforms such as Motion Ventures, The Captain's Table, Flagship Founders (which recently merged with Studio 30 50), and many others. A test of success for such venture backers will be their ability to scale businesses beyond their captive / F&F fleets so that more assets can scale with possible listing or mid-large cap PE.

What is worrying investors?

2024 was marked by significant maritime incidents and geopolitical tensions that influenced investor sentiment. The Red Sea crisis, continued supply chain disruptions, and increased focus on cybersecurity risks all shaped deal considerations. These events underscored the importance of operational resilience in target companies. We touch upon these and market cyclicity outlook in pretty much every investment committee discussion we have.

However, by far the most common concern remains the acute shortage of maritime leaders who are proven at scale and have deep industry relations to be able to navigate change that inevitably comes with new partnerships.

Looking ahead to 2025

The pipeline for 2025 appears robust. Several prominent maritime strategics are sitting on large reserves, which they are seeking to deploy not only on fleet revitalisations but also on acquiring services businesses. Similarly, several prominent PEs have now spent significant shoe-leather cost in pursuing maritime processes and becoming more focused in specific consolidation opportunities in the next couple of years. We envisage more early-stage venture-backed companies reaching market adoption in meaningful numbers. Some examples include Orca AI (\$23m growth round), Carbon Ridge (recent \$9.5m raise) and Harbor Lab (completed \$16m Series A)

From our perspective, the deal flows that Aboutships expect to be busiest on through 2025 include:

1. Decarbonisation/fuel transition-related platforms
2. Maritime SaaS
3. Maritime AI-enabled
4. Shipmanagement and marine services.

#Shipmanagement

