

Background

Peters Opal plc, one of the largest marine distributors in the UK, failed in August 2007, immediately prior to the Southampton Boat Show. A middle management team wished to buy a quantity of financed boats that had been repossessed and take a single brand forward. They were unable to gain finance in the timescale necessary for them to attend the show at the beginning of September. The team turned to Hilco Capital to fund their business plan and the initial stock purchase, which gave them a credible offering at the Southampton Boat Show.

The Transaction

Hilco provided seed funding for the company to buy a range of repossessed boats for £1.4 million and to buy display stock to take forward the Bavaria sailboat distributor arrangements.

Hilco's Role

After providing the initial seed funding, Hilco provided additional funding to support the expansion of the business into arranging the disposal of repossessed boats and to acquire distribution rights to further sail and power boat brands in the UK, Ireland and Mallorca.

To support the brand extension, Hilco provided a £5 million working capital facility. The UK rights to the Azimut and Bavaria motor boat brands were secured in September 2008 and January 2009 respectively and an agreement has recently been reached for Clipper Marine to represent the Benetti super yachts brand in the UK.

Results

Clipper Marine is now the fastest growing UK boat dealership despite significant contraction in UK marine sales. From representing one sailing boat brand at the company's inception, Clipper now represents five brands and provides a complete service from valeting to brokerage.

New offices were opened in Ipswich in May 2008 and Mallorca in September 2008 and a network of affiliated sub-dealerships has been established across the UK, providing a stable platform for growth.

Turnover has increased from £4.4 million in 2008, to a projected £7.6 million for 2009. The business made an operating loss of £60,000 in 2008 but is forecast to achieve profits in excess of £250,000 in 2010 and is currently the best performing company in the sector. A number of manufacturers are seeking to be represented by Clipper as a result and the company is exceptionally well placed to benefit from any recovery in the sector.



Key Facts

- › Provided **£5m** working capital facility to support the establishment of a motorboat division
- › Provided funding to support a strategic partnership with Marine Sales UK
- › Provided an ongoing working capital facility to support business needs

Results

- › Fastest growing UK boat dealership
- › From representing one sailing boat brand, now represents five brands and provides a complete service from valeting to brokerage
- › New offices opened