



STX OSV is a Norway-based shipbuilder for the offshore industry with yards in Norway, Romania, Brazil and Vietnam. In 100 words or less, buy, stag or avoid?

### **Upsides**

- STX OSV is in the buoyant offshore industry supporting oil and gas exploration
- One of the market leaders in large AHTS and offshore support vessels
- Almost S\$4bil in order book{loadposition advert1}

### **Downsides**

- Only returned to profit in 2009
- Liabilities at 8 times equity as of Jun 2010
- Uncompetitive cost base versus peers in Asia
- Book-building exercise poorly received, with offer price at bottom end of S\$0.79 to \$1.13 range
- Large number of vendor shares offered in the IPO

### **Similar to**

- Jaya Holdings
- Otto Marine

## **Conclusion**

- Avoid

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