

## Strategic Alliance



# TUBACEX and SENAAT join forces to grow in the Middle East

- TUBACEX and SENAAT, an industrial investment holding company owned by the Emirate of Abu Dhabi, have signed an agreement to acquire NOBU Group, a company specialized in repairing and manufacturing high precision stainless steel components for the oil and gas industries.
- This alliance reinforces the ambition of TUBACEX to become one of the largest manufacturers of premium tubular solutions in Middle East.
- The acquisition of NOBU Group is the first step in what potentially could be a wider initiative to cooperate to undertake further investment projects in the oil and gas sectors in the UAE and the region.
- NOBU Group has three locations in Saudi Arabia, Dubai and Norway, with a skilled workforce of over 200 people expected sales of 34 million dollars for 2019.
- The acquisition will enhance TUBACEX's chances to access the leading drilling companies in the UAE and the region offering a wider portfolio of premium tubular solutions and repair and installation services.

**Llodio, 19 February 2019.** TUBACEX and SENAAT, an industrial investment holding company owned by the Emirate of Abu Dhabi, have started a strategic partnership to support the development of energy projects in the Middle East. This alliance aims at growing in a key market by developing investment projects with a special focus on developing local manufacturing capabilities, with the

ambition to become one of the largest manufacturers of premium tubular solutions in Middle East.

In the framework of this strategic alliance, TUBACEX and SENAAT have signed an agreement to acquire NOBU Group, a company specialized in repairing, maintaining and manufacturing services for high precision machining of tubular components supplying to a blue chip customer base which includes Baker Hughes, Schlumberger, Emerson and Halliburton amongst others. TUBACEX will thus gain access to the leading oil services companies offering a wider portfolio of tubular solutions and repair and installation services.

With the acquisition of NOBU, TUBACEX is moving forward in its strategy to become a global supplier of tubular solutions by significantly strengthening its product portfolio for customers in the upstream part of the energy sector. This activity is channeled through Tubacex Upstream Technologies (TXUT), a business unit that was created in 2016 with the aim of providing added value to the OCTG segment. In 2018 TXUT had revenues above 200 million euros. In addition, the acquisition of NOBU also comes to enhance Tubacex's strategy of growing in key geographical markets, product diversification and offering an integral premium solution to end users. Furthermore, it reinforces TUBACEX's commitment in one of the regions with the largest resources of oil and gas, which is currently engaged in a growth plan.

This acquisition is the first step of the joint commitment between TUBACEX and SENAAT, one of the largest investment and industrial holding companies in the United Arab Emirates, to developing energy projects in the region, contributing to its economic development with local investments.

"Our status as a leader in the manufacture of CRA OCTG pipes, together with our good positioning in the Middle East, have led to a strategic alliance with SENAAT to jointly develop local content, consolidating our foundations for growth over the coming years," Jesús Esmorís, TUBACEX Group CEO, said. In this regard, this alliance is currently analyzing the possibility of building production

facilities to manufacture OCTG in Abu Dhabi, a product which will be used in the production and extraction of oil and gas, with a high demand in the Middle East and specifically in Abu Dhabi.

### **Acquisition of NOBU**

The acquisition of NOBU at a valuation of USD 57,3 million (subject to potential final price adjustments) represents the first step towards establishing industrial bases in key regions, it increases the production capacity of the group, its international footprint by growing in key strategic markets and allows a wider integral tubular solution.

With headquarters in Dubai (UAE), NOBU Group is currently owned by the Norwegian Private Equity firm Nord Kapitalforvaltning and the Norwegian investment company Habu Holding. It is one of the few companies in the region that is able to provide repair and manufacturing services for high precision machining tubular components. NOBU Group has three locations in Saudi Arabia, Norway and UAE, with a workforce of more than 200 people and expected sales of 34 million dollars in 2019, entirely in the premium segment.

“NOBU strengthens our position as a leading manufacturer of integral stainless steel tubular solutions for the oil and gas extraction sector, allowing us, for the first time, to offer repair and maintenance services to the oil services companies” Jesús Esmorís declared. “With this acquisition we reinforce our strategic position with end users while boosting industrial synergies with other plants in the group. In this way, we leverage on our comprehensive manufacturing model, with our own steelworks as a manufacturing source and a supply of raw materials and various manufacturing and service companies, allowing us to provide a complete tubular solution”, Esmorís said.

## **About TUBACEX**

TUBACEX is a multinational group with its headquarters in Alava and a global leader in the manufacture of stainless steel and high-alloyed tubular products (tubes and accessories). It also offers a wide range of services from the design of tailored solutions to installation and maintenance operations.

It has production plants in Spain, Austria, Italy, the United States, India and Thailand and worldwide service centers and sales offices in 38 countries.

The main demand segments for the tubes manufactured by TUBACEX are the oil and gas, petrochemical, chemical and power generation industries.

TUBACEX has been listed on the Spanish Stock Market since 1970 and is part of the "IBEX SMALL CAPS" Index.

[www.tubacex.com](http://www.tubacex.com)

## **About SENAAT**

SENAAT is one of the United Arab Emirates' largest industrial holding companies, managing and operating assets for the Government of Abu Dhabi. SENAAT is fully owned by the Emirate of Abu Dhabi and has been mandated to create, acquire and optimise industrial businesses to maximize shareholder value. It is a key contributor to Abu Dhabi's Economic Vision 2030, which aims to diversify the Emirate's economy away from reliance on the hydrocarbon sector by developing a strong industrial capability. SENAAT currently operates in four key industrial sectors – Metals, Oil & Gas Services, Construction & Building Materials and Food & Beverages Manufacturing. SENAAT, which translates as 'Industries' manages nearly USD 7.5 billion of industrial assets and employs close to 20,000 people across its portfolio of nine operating companies.

<http://www.senaat.co/>