



News release

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Graphite Capital backs MBO of ICR, a fast-growing energy industry repair and maintenance group

Graphite Capital, a leading UK mid-market private equity specialist, has backed the management buy-out of ICR, which provides repair and maintenance services to the global energy industry.

ICR comprises four high quality, niche businesses that mainly operate in the UK and Middle East energy markets. Walker Technical is a specialist in composite repairs to pipework and structures for oil and gas customers. NECE provides corrosion monitoring, oilfield microbiology, chemical monitoring and consultancy services to offshore operators. MOSS is a leading mechanical services provider. CIU provides specialist rental, sales, repair and maintenance services for chemical pumping units used in the international oil and gas market. The group's head office is in Aberdeen and its Middle East operations are run from Dubai.

In the past three years, ICR has achieved strong growth with turnover rising to over £30 million. There are significant opportunities to build the business further as operators seek to extend the life of existing infrastructure. Oil and gas platforms and downstream processing facilities around the world are ageing and require regular repair. In the North Sea alone, annual oilfield operating expenditure has increased to £8.5 billion in 2013 from £5.5 billion in 2004.

ICR has identified opportunities for new product development, UK onshore expansion and further international growth. The company also expects to continue its successful bolt-on acquisition strategy.

Graphite is acquiring a majority stake in the business through its equity investment, with debt funding provided by HSBC and RBS. The senior management team, led by chief executive, Willie Rennie, will continue to run the business and have reinvested a substantial amount of their sale proceeds.

Graphite has a successful track record of investing in the oil and gas services sector. In May last year, it sold the Aberdeen-based oilfield services company, Dominion Gas for 2.3 times cost, to Praxair Inc. of the US for around £100 million. In 2012, it sold NES Global Talent, the international provider of specialist engineers to the oil and gas industry, to AEA Investors for £234 million, achieving 4.7 times cost.

ICR's Willie Rennie commented: "Global oilfield operating expenditure is forecast to increase strongly over the coming years and there are opportunities for us to accelerate our growth. With its wide-ranging experience in our market, Graphite is the ideal partner to help us exploit this potential."

Mike Innes, Graphite senior partner, added: "ICR's experienced management team has created a fast-growing group that is well placed in attractive markets. The oil and gas services sector is one we know well and we look forward to working with the team."

Mike Innes, Simon May, Mudassir Khan and Andy Gray managed the transaction for Graphite.