



ENERGY  
Deal flash, October 2014

## OIL & GAS FIELD SERVICES

### Deal snapshot

- Oaklins' teams in Dallas, USA, and in Canada represented three firms in the oil & gas field services sector – two American and one Canadian – in a merger to become US Shale Solutions of Houston, Texas, USA.
- Results of this complex year-long deal were the acquisition by US Shale Solutions of W. Pidhirney Welding Ltd. (WPW) of Leslieville, Alberta, Canada; Culberson Construction, Inc. of Granbury, Texas, USA; and J4 Fluid Services, Inc. of Victoria, Texas, USA.
- US Shale Solutions immediately becomes a significant provider of a broad offering of oil & gas field services, with a focus on unconventional resource plays.



### What our client said

**Hank Reeves**, CEO, J4 Fluid Services, USA

“We’ve been focused on growing our business, so the guidance we received from Oaklins’ team in Dallas was invaluable. The results speak for themselves. We’re very excited about how this transaction turned out and we look forward to being a part of US Shale Solutions. The future looks very bright right now.”

**Wayne Pidhirney**, CEO, WPW, Canada

“We are indebted to the Oaklins’ teams for making this complex, cross-border transaction happen. Our expertise is in oil field services, not M&A deals. I don’t think this deal would have happened without their professionalism and hard work.”

### Our role in the transaction

- The US and Canadian teams provided strategic advice and guidance to all the parties involved in this complex transaction. The teams’ persistence, dedication and oil & gas services and infrastructure construction expertise were essential to closing this deal.
- The transaction demonstrates how Oaklins is able to bring together the right elements to create an innovative and successful player in the rapidly growing unconventional oil & gas sector.



## Market trends and deal drivers

- **Rapid growth** – With unconventional oil & gas booming, many service providers must determine how they will continue their growth in a competitive and capital investment-intensive sector. Merging multiple firms to create a more formidable player like US Shale Solutions is one approach to developing economies of scale.
- **International emphasis** – The oil & gas industry is transnational. Cross-border mergers and acquisitions of oil & gas service firms is on the rise as unconventional plays are developed around the world.
- **Simplifying supply chain** – Large exploration and production companies as well as mid-stream players are looking to simplify their service provider structures and supply chains by dealing with fewer, larger service firms rather than a multitude of small service firms.

## M&A valuation aspects

Oil & gas service companies in the current market environment generally see enterprise values of 3–5x EBITDA. The three deals completed with US Shale Solutions all exceeded 5x EBITDA by a substantial amount. The terms of the deals included more cash consideration than is typically the case and attractive additional consideration.

## Oaklins industry experts



✉ **Bryan Livingston**, Construction and engineering services expert, Oaklins, USA

A longtime expert in the energy infrastructure space, Bryan has completed several significant transactions involving oil & gas pipeline service, power transmission, distribution engineering and construction companies.



✉ **Mike Stengle**, Oaklins, USA

Mike has led the closings of several significant renewable energy and oil & gas service company transactions over the past 15 years.



✉ **Erik Slockers**, Oaklins, USA

Since 2004, Erik has been instrumental in selling over a dozen companies in the renewable energy and oil & gas service sectors to industry and private equity buyers.

# OAKLINS HAS CLOSED 81 DEALS IN ENERGY IN THE LAST 5 YEARS

Oaklins is the world's most experienced mid-market M&A advisor, with 700 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.