

INTRODUCTION



www.qrcvalves.com

Who We Are



QRC Valve Distributors (QRC) was formed in December of 2016 through an acquisition of Cameron's Newco North American Quick Response Business. Newco, dba Newmans, was formed in 1936 in Tulsa, OK, and opened its first of six quick response centers (QRC) in 1957.

QRC Valves acquired all locations in the U.S. and Canada along with inventory and personnel.

QRC Valves is a master distributor of Cameron downstream products; including Newco, OIC, Douglas Chero, Orbit, and TBV.

QRC Valves maintains an on-hand inventory value of \$31M+, providing our partners with quick response and exceptional service.

Our strategy is to work closely with Distribution as a partner, which is why we included the "no sales to end-users or EPC firms" language in our agreement with Cameron.



Business Evolution



The Cameron Newco JV business was formed in Feb of 2010 with Cameron ultimately acquiring a 61% stake in the business. On April 1, 2016, Cameron was acquired by Schlumberger and on September 1, 2016, Schlumberger acquired the remaining shares of the Cameron Newco JV from Argonaut PE and Bank of Oklahoma (BOKFCC).

Post-acquisition, Schlumberger directed the management team of the Newco JV to divest the quick response centers prior to 2016 year-end as they did not want to retain the multiple locations as well as the inventory required to support the quick turn business. Historically, the QRC quick return business accounted for 64% of Newco's annual revenue. Schlumberger, however, was/is very focused on reducing working capital as well as infrastructure cost as they expect those costs to be carried by distributors.

On December 02, 2016, the Newco Joint Venture CEO presented two divestiture proposals to Cameron's Valves and Measurement Segment President and, over the ensuing 2 weeks, a deal was negotiated to divest the quick response business to a group that included Cameron's former Newco JV partners, Argonaut PE and BOKFCC, and two Cameron Newco employees.

On December 22, 2016, all Branch inventory transferred to QRC Valve Distributors.

As contractually agreed to during the divestiture negotiations, QRC Valves was awarded a 5 year Master distribution agreement that includes all Cameron downstream products; including Newco, Orbit, OIC, TBV, and the WKM triple offset butterfly valve.

Business Evolution (cont.)



QRC Valves was also granted lease agreements for locations in Los Angeles, CA, Edmonton, AB, Barrie, ON, East Brunswick, NJ, Stafford, TX, and Port Allen, LA.

The business has performed as expected and has been able to retain the quick turn business formerly awarded to Newco.

The business retained all personnel, locations, phone numbers, customers, and assets of the locations purchased.

Note: QRC Valves is not affiliated with "Newmans" as this trading name was licensed to another company in Sept 2016 as part of an excess inventory sale.

Summary



QRC Valve Distributors (QRC Valves) is the result of an acquisition of the former Newco quick response centers.

QRC Valves retained all locations along with all personnel.

QRC Valves has made significant inventory investments in Newco cast and forged products, with over \$16M in costed inventory.

QRC Valves will continue to make inventory investments and expects to maintain an average on hand inventory value of \$18.0M Newco, \$9.0M Orbit, \$2.0M TBV, and \$2.0M WKM TOV.

QRC Valves is committed to providing a superior customer service experience by having the best people, most inventory, strategic locations, and competitive pricing.

Newco[®]

DOUGLAS CHERO
dc

W-K-M



TBV[™]



Locations



- **Texas** *Corporate Headquarters*
(281) 302-4900
- **Louisiana**
(281) 302-4896
- **California**
(310) 667-8570
- **New Jersey**
(732) 257-0300
- **Western Canada**
(780) 464-3500
- **Eastern Canada**
(705) 737-4216