



## NEWS RELEASE

For Immediate Release:  
2024-10-07

### **McDermott Announces Agreement to Sell CB&I Storage Business Line to Consortium of Financial Investors**

Transaction Follows Comprehensive Marketing Process, Culminating in Winning Offer From a Consortium Led by Mason Capital Management

HOUSTON, Oct. 7, 2024 /PRNewswire/ -- McDermott International, Ltd (McDermott) today announced it has entered into an agreement to sell its CB&I storage business (CB&I) to a consortium of financial investors led by Mason Capital Management. Under the terms of the agreement, McDermott expects to receive \$475 million of proceeds before taxes and transaction expenses. The transaction is expected to be completed in the fourth quarter.

The transaction is the culmination of a comprehensive marketing process during which McDermott received multiple bids from prospective buyers. Pursuant to the terms of McDermott's credit agreement, proceeds from the sale will be used to repay CB&I's existing term loan, cash collateralize certain McDermott letters of credit, and reduce an existing McDermott term loan.

"The significant interest expressed in our storage business is a direct reflection of its long history of providing customers world-class storage solutions and its bright future," said Michael McKelvy, President and Chief Executive Officer of McDermott. "We believe this is the best transaction for our business, CB&I, its customers and employees."

CB&I has a global footprint and is a leading designer and builder of storage facilities, tanks and terminals. It became part of McDermott in 2018 when the two companies combined. In 2023, McDermott completed actions to strengthen the storage business, including providing a dedicated capital structure.

"We look forward to the next chapter in our 130-year history," said Mark Butts, Senior Vice President of CB&I. "The consortium represents a diverse group of shareholders who are familiar with our business and have long believed in and supported our strategy."

"We are pleased to reach this agreement to acquire and serve as the future stewards of CB&I," said Mike Martino, Managing Member and Principal of Mason. "We believe the Company has significant potential as a standalone enterprise, and we look forward to leveraging our experience successfully investing in industrial and engineering-focused businesses to improve the Company's operations and support profitable, long-term growth."

Goldman Sachs & Co. LLC is serving as the exclusive financial advisor for the transaction to McDermott. Kirkland & Ellis LLP is serving as legal counsel to McDermott. Citi is acting as exclusive financial advisor to Mason. Cadwalader, Wickersham & Taft LLP is serving as legal counsel to Mason Capital Management.

#### **About McDermott**

McDermott is a premier, fully integrated provider of engineering and construction solutions to the energy industry. Our customers trust our technology-driven approach engineered to responsibly harness and transform global energy resources into the products the world needs. From concept to decommissioning, McDermott's innovative expertise and capabilities advance the next generation of global energy infrastructure—empowering a brighter, more sustainable future for us all.

Operating in over 54 countries, McDermott's locally-focused and globally-integrated resources include more than 30,000 employees, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world. To learn more, visit [www.mcdermott.com](http://www.mcdermott.com).

### **About Mason Capital Management LLC**

Mason Capital Management LLC is an absolute return focused investment firm that combines deep fundamental analysis with a hard catalyst. Founded in July 2000 by Ken Garschina and Mike Martino, Mason's strategies range from event-driven investing to corporate carve-outs and control acquisitions.

### **About CB&I**

CB&I is the world's leading designer and builder of storage facilities, tanks, and terminals. With more than 60,000 structures completed throughout its 130-year history, CB&I has the global expertise and strategically located operations to provide its customers world-class storage solutions for even the most complex energy infrastructure projects. CB&I is a wholly owned unrestricted subsidiary of McDermott. To learn more, visit [www.cbi.com](http://www.cbi.com).

### **Forward-Looking Statements**

McDermott cautions that statements in this communication which are forward-looking, and provide other than historical information, involve risks, contingencies and uncertainties. These forward-looking statements include, among other things, statements about the timing of closing and benefits to stakeholders of the transaction. Although we believe that the expectations reflected in those forward-looking statements are reasonable, we can give no assurance that those expectations will prove to have been correct. Those statements are made by using various underlying assumptions and are subject to numerous risks, contingencies and uncertainties, including, among others: adverse changes in the markets in which we operate or credit or capital markets; our inability to successfully execute on contracts in backlog; changes in project design or schedules; the availability of qualified personnel; changes in the terms, scope or timing of contracts, contract cancellations, change orders and other modifications and actions by our customers and other business counterparties; changes in industry norms; risks associated with negotiating divestitures of assets with third parties; actions by lenders, other creditors, customers and other business counterparties of McDermott; and adverse outcomes in legal or other dispute resolution proceedings. If one or more of these risks materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected. You should not place undue reliance on forward-looking statements. This communication reflects the views of McDermott's management as of the date hereof. Except to the extent required by applicable law, McDermott undertakes no obligation to update or revise any forward-looking statement.

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