



GRUPOARBULU



SECTOR MARINE ELECTRONICS

REGION
EUROPE, AFRICA, AMERICAS

Grupoarbulu is a leader in marine electronics, satellite and on-board IT. Deep sea and offshore fishing vessels, merchant shipping, coastguard crews and super yacht owners around the world continue to benefit from the group's technological know-how in navigation, safety and advanced maritime communications.

The group, headquartered in Madrid, Spain, has grown in a few years from a specialist supplier of equipment and services to the local fishing industry, into a worldwide maritime sector electronics and communications provider with a reputation for cutting edge innovation and first class customer service. They are one of the largest marine electronics groups in Europe, providing new-build, refit, repair, maintenance and airtime services to shipyards and vessels. So how did they do it?



CHALLENGE

Although grupoarbulu was formed relatively recently - in 1999 - their pedigree was established with the companies they first brought together to form the group. Spanish marine supplier Crame was founded back in 1931 and fishing vessel specialist Nautical in 1969. The third to join was Marine Instruments, founded in 2003 but already a highly regarded fishing instrumentation researcher, designer and manufacturer. These formed the core of grupoarbulu's maritime business until 2008, when the board of directors developed a plan for the future growth and prosperity of the



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group and its companies. Their challenge was to find a way forward that would consolidate core business but also enable entry into complementary marine sectors and new geographies, where competition would be fierce.

SOLUTION

Selecting the right international advisory partner was key and a robust search and selection process resulted in the appointment of UHY Fay & Co, the network's member firm in Spain. Iñaki Arbulu, CEO and Managing Director comments, "We chose UHY Fay & Co because they were fully aligned with our requirements and impressed us with their values and international mindset. They were also clearly results focused and very proactive. The flat structure of the UHY network meant we could get efficient access at the highest level and swift responses to our queries and issues."

UHY AND THE 'GLOBAL LEADERS' STRATEGY

The result was a rigorous blueprint for internationalisation taking in organic expansion, acquisition and strategic partnerships. In a presentation called Global Leaders: an opportunity for growth, the foundation was laid for what would prove to be a highly successful global expansion programme. It was – and still is – based around bringing into the group, sector-leading marine specialist businesses which can operate independently but also benefit from synergies within the group. Each business would be grown and supported under the grupoarbulu umbrella. Target companies were identified by UHY Fay & Co's corporate finance team and the Global Leaders plan was put into action.

RESULT

The first acquisition followed in 2009 and met both international and sector expansion objectives. Aage Hempel

was a longstanding Danish marine electronics company, founded in 1933, with a wider European market focus in commercial shipping systems. After pre-acquisition consultancy from UHY Fay & Co, implementation was passed to UHY's member firm in Denmark, inforevision, and the transaction was completed efficiently and successfully. inforevision has subsequently worked with Aage Hempel to help the company grow further – by providing the Denmark headquarters with ongoing tax consultancy, audit and accounting services.



Meanwhile, Aage Hempel opened in Malta (2010), Portugal (2010), Panama (2012) and the Netherlands (2013). By working with other UHY member firms in these countries – UHY Botello & Marquez S.A. in Panama City, UHY Pace, Galea Musú & Co in Malta, UHY Portugal in Portugal and Govers Accountants/Consultants in the Netherlands – Aage Hempel enjoyed the reassurance of expert local knowledge and support whenever and however it was required.

Luis Miguel Ayala, General Manager, Aage Hempel, appreciates the role inforevision, UHY Fay & Co, and the other UHY member firms have played in his firm's success: "It is important that your advisors understand your business. We find UHY member firms very flexible, covering all our fiscal and legal needs in opening the new companies. This has included preparing deeds, articles of association and POAs, managing accounting and labour issues, as well as tax compliance and auditing."

MORE DIVERSIFICATION

In 2012, grupoarbulu acquired a majority shareholding in Spanish super yacht IT company E3 Systems (E3S), and



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accounting support across their various international operations.”

As well as the aforementioned UHY member firms in Denmark, the Netherlands, Panama and South Africa, others who have also played a major part in the group’s continuing success include: UHY Pace, Galea Musù & Co, Malta, UHY Ben Mokhtar & Co, Morocco and UHY & Associados SROC Lda, Portugal.

Results since the Global Leaders strategy was developed have been impressive. Aggregated turnover has more than doubled to €123 million (USD 139 million), with consolidated revenue of €98 million (USD 110 million). The new group companies account for nearly 40% of the total, and there are now grupoarbulu companies or agents in 18 countries around the world.

Iñaki Arbulu concludes, “Our relationship with UHY Fay & Co, and with the wider UHY network, has contributed enormously to the group’s growth. We wanted an advisor who would understand our vision, share our values, and work efficiently with the size and structure of grupoarbulu. On every count they have succeeded, helping us define and meet our business needs and objectives. When we look towards the future, we think of UHY.”

UHY IN THE ELECTRONICS AND TELECOMMUNICATIONS SECTOR

The way the world communicates is constantly changing and few industries have witnessed the same pace of development as this sector. UHY member firm specialists help technology clients to establish manufacturing or service facilities in new markets. They also offer technical understanding, practical advice and global insight to help clients make the most of the rapid market and regulatory changes happening across the telecommunications industry.

the same year expanded the merchant marine offering to South Africa and Namibia through the acquisition of SMD Telecommunications, based in Cape Town. UHY Fay & Co worked alongside the due diligence team at UHY Hellman (SA), Johannesburg, to complete another successful acquisition. UHY Hellman (SA) has subsequently been retained as SMD’s auditors.

In the same year, the group announced the internal merger of Aage Hempel and Crame, reaping the benefit of previous synergies and further strengthening the financial muscle, resources and reach of the newly-combined entity. What’s more, as the super yacht market grew in size and opportunity, grupoarbulu – in line with the UHY Global Leaders blueprint – oversaw the partnership of two group companies with an outside third party to form The Consortium. The combined expertise of E3S, Aage Hempel and the Dutch super yacht electrical installations giant Tjissen Elektro has helped to establish the group’s presence in the luxury yacht new-build sector.

MORE INTERNATIONALISATION

With fishing, merchant and super yachts expertise now firmly established in its portfolio, grupoarbulu turned to widening its geographic service and distribution network. In 2014, a complementary merchant marine navigation systems business was

acquired, the Danish company Navteam.

NAVTEAM
Professional Marine Electronics

Once more, the transaction services team at inforevision in Denmark and UHY Fay & Co’s corporate finance team worked together to deliver another successful acquisition. “The joint work with this process was efficient and very smooth” says inforevision partner Vibeke Düring Reyes Jensen. “Navteam brings new bases in Poland and Malaysia as well as service agents covering Russia, Ukraine and the Baltics, so the group is increasingly providing maritime service capability where it’s needed.”

“Our latest start-up project was Ubicon in Brazil where we had excellent support from UHY Moreira Auditores,” says Iñaki Arbulu, CEO and managing director, grupoarbulu. “Bureaucracy is high in this country so we depended on the most thorough support and we were not disappointed.”

Bernard Fay, UHY chairman and joint managing partner at UHY Fay and Co, says, “We have been moving forward with Iñaki and his team on the Global Leaders project for nine years now. Over that time, we have been given the opportunity to introduce several other UHY member firms to support grupoarbulu, not only in acquisitions, but also in ongoing tax, audit and