

SECTION 8 • NOVEMBER 21, 2008

DALLAS 100

FASTEST-GROWING PRIVATE COMPANIES IN THE METROPLEX



DALLAS 100

#10

SB International Inc.
BUSINESS: International steel company, focused on pipe and tubing for the oil and gas industries
HEADQUARTERS: 3626 N. Hall St., Ste. 910, Dallas 75219
TOP EXECUTIVE: Satish Gupta, president
OWNERSHIP: Private
EMPLOYEES: 40
ANNUAL REVENUE: \$175 million (2007)
PHONE: 214-526-4423
WEB: www.sbisteel.com

STEELY RESOLVE

Global contacts keep piping company SB International on top of energy flow

By Karen Nielsen | Correspondent

Satish Gupta doesn't own a crystal ball, but he knows that the world demand for oil isn't going away.

His company, SB International Inc., is well-positioned to provide a steady supply of steel pipe and tubing to its energy exploration and production customers.

It's one of the major suppliers of the product for local production efforts at the Barnett Shale, as well as in states surrounding Texas – Oklahoma, Arkansas and Louisiana – and across North America and Canada.

"We feel the outlook is very good," he said. "The drive for energy-independent (oil supplies) and the high price of oil and gas have created a high demand for our product."

Demand might be an understatement. In 2007, SB International posted revenue of \$175 million. Revenue projections for 2008 – the company's fiscal year ends in March – top \$500 million, he said.

Its consistent performance has helped SB International nab Dallas 100 awards from 2004 to present.

Gupta says the primary reason for the Dallas company's growth is his management team's focus on global trade.

"SB has always been a pioneer in its field," he said. "We go to different countries and assess their abilities and assist them to produce quality product to meet the U.S.' higher quality standards at a competitive price."

SB counts China among its major partners, but it also has forged business relationships with companies in more than 30 countries, from Afghanistan to Japan.

Those relationships allow SB to optimize costs and logistics to provide customers with a reliable supply of product – especially in recent months when materials were in short supply in the United States.

"We will not deal in all of the product," he said. "We just pick a few products that are used in the pipe and tubing industries and we pick up the higher grade of those and try to get that product only."

As oil and gas prices drop, Gupta acknowledges that his customers will feel the squeeze from reduced demand and tighter credit standards.

He expects 2009 to be challenging and slower – year for his company, but predicts activity will level off late in the year and begin picking up again in 2010.

"These are concerns of ours, but fortunately our company is well-situated to being an internal player in this field," he said. "On a long-term basis, it should be fairly good because demand for product will remain stable once we weather out the storm."

If demand slows down in the United States, Gupta expects to pick up some business in the Middle East and India. One area to watch after a new administration takes office next year will be any governmental policy changes toward global trade, he said.

Gupta has experienced plenty of cycles in the steel industry since he started his company in 1981. It was initially formed as a metal trading company that exported nonferrous metal products including scrap and off-spec steel. In the mid-'80s it diversified into stainless steel products, which were imported for distribution within the United States.

In 1992, SB bought a metal processing facility on 10 acres near downtown Dallas. The facility processes and distributes steel products for domestic use and international export. It also has a distribution center in Baltimore, Md.

Both Gupta's wife and son work at the company, which has grown "beyond my imagination," he said.

JP Wu, the company's chief financial officer, said daily contact with clients, strong supplier relationships and a solid bottom line will propel SB International toward even more positive growth.

"Our healthy balance sheet and financial stability plays an important role in keeping our business on course through turbulent times," he said.