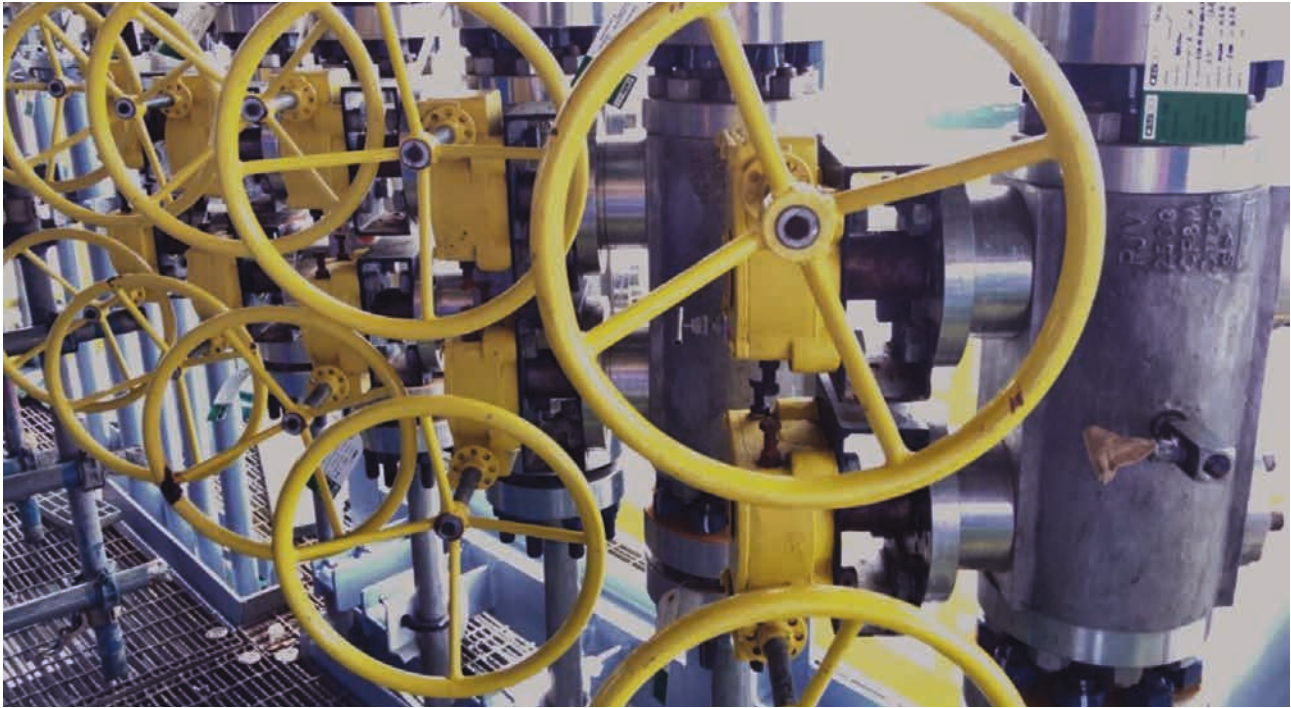


PJ Valves

A global approach for valves to support oil and gas projects effectively and competitively



Our company has wrestled with the challenge of low demand over the last few years, like many others. It's clear that the answer to this, is to do a better job for our customers. Not only through the manufacture and supply of valves, but by broadening and deepening our customer relationships to provide more value while reducing cost. There's no doubt it's been a challenge – but one we have relished. We emerge from this downturn a strong and committed team across our group with a very positive outlook for future growth.

Dan Munro
Group Managing Director

How is PJ Valves thriving?

PJ Valves (PJV) has thrived during the oil and gas downturn by adopting a three-pronged approach: expanding into new markets, investing in a new manufacturing facilities, and ensuring both sales and manufacturing processes focus on the individual needs of each project.

The challenge

The fall in oil price motivated several cost reduction initiatives in the oil and gas sector. This led to a change in behaviour among the end-users of PJV's products, who increased their focus on cost-effective, enhanced supplier support.

PJVs international offices provided some protection against the industry downturn as the company could focus on demand hot spots.

The solution

PJV is part of a fragmented market which requires manufacturers to differentiate. The company innovated by identifying target projects and then supporting the various end-users and engineering companies throughout FEED to EPC – ensuring operations were prepared for individual project requirements. PJV leverages its long-established valve knowledge and expertise to support the project specification development through to execution – always putting the customer and their project first.

PJV has evolved its role from a valve manufacturer and supplier to an advisor, expert and partner to ensure customers receive fit-for-purpose, cost-effective valves. The international nature of its business has allowed PJV to increase close customer support across America, Europe and Asia while maintaining strong supply chain relationships. PJV has seen small incremental benefits by having good IT practices to help team work across time zones. This approach has succeeded in cultivating approximately US\$15-20m of new business opportunities over the last two years, the equivalent of one year's revenue.

PJV's success is also due to two other factors. Firstly, the company successfully managed to develop its export capabilities. Today, over 70% of the company's revenues derive from export opportunities, compared with 20% in 2011. Secondly, PJV's decision to optimise its manufacturing capabilities by investing in a factory in India provides a compelling cost-base to customers. The company is now evaluating new regions for



expansion and is considering a fast-growth approach to stay ahead of competition.

About PJ Valves

PJV manufactures and supplies valves to energy projects all over the world. Its portfolio includes ball, butterfly, double block and bleed (DBB), gate, globe and check valves, in addition to other special products and solutions, e.g. actuation integration.

The company's key customers are oil companies, EPC contractors and equipment packagers. In addition to the UK, it has operations in the US, Singapore, India and Italy.

Story type:

#export
#innovation
#optimisation

Benefits:

- New revenues: US\$15–20m

Key findings:

For the industry:

- Differentiation is enhanced if you can move up the value chain from component supplier to advisor with expertise
- Export growth is possible in a downturn, and can be achieved quickly and economically

For the government:

- When businesses actively engage with Department for International Trade (DIT) and UK Export Finance (UKEF), value is delivered

Government support?

The DIT provided export support. PJV is currently working with UKEF to obtain 80% coverage for bonds

PJ Valves at a glance

Key products and services:

engineered industrial valves

Main sector(s) served: oil and gas

Headquarters: Hertford, UK

Year established: 1976

Number of employees: 85 (group)

Revenue: US\$20m



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