



Joint Venture



TUBACEX has signed a Joint Venture with the Japanese firm, Awaji

- This Joint Venture complements the “fittings” range that TUBACEX currently offers through TTA (Alava) and IBF (Italy), allowing for industrial synergies with its tube plant located in India.
- It is expected that the new company, under the name of Tubacex Awaji Thailand and located in Thailand, will invoice 20-25 million euros in three years.
- It is the first venture within Southeast Asia in conjunction with a Japanese partner, which fits in with its commitment to this continent.
- With this operation, TUBACEX moves forward in its goals of diversification, better positioning in the value chain and proximity to the final user.

Llodio, 27th September 2016. TUBACEX has reached an agreement to create a joint venture with the Japanese company Awaji Materia to manufacture special stainless steel components at its factory in Thailand. This operation, which follows a statement of intent signed and announced last May, implies a capital increase of USD 3.3 million subscribed by Tubacex Group through the Italian firm IBF, which accounts for 60% of the new company's stake. As compensation for the remaining 40%, Awaji Materia will provide the assets for the stainless steel special fittings factory.



It is expected that the new company, Tubacex Awaji Thailand, which currently employs 40 people, will invoice 20-25 million euros in three years with the manufacture of stainless steel elbows, reductions, Ts and Caps. These are standard small diameter products that complement the "fittings" range that TUBACEX has been offering through TTA (Alava) and IBF (Italy), allowing for industrial synergies with its tube plant located in India.

With this operation, TUBACEX maintains its commitment to the Asian continent, one of the fastest growing markets, with its first venture within Southeast Asia in conjunction with a Japanese partner with proven experience in the fittings manufacturing sector and a recognized position in the market.

For Jesús Esmorís, CEO of TUBACEX, "the crisis in the sector has hit the fitting sector particularly hard, but we have reacted with a plan for the specialization of our plants and a strategic acquisition in Thailand that will help us to reach our goals of diversification, better positioning in the value chain and proximity to the final user". "We currently have a full range of fittings, from the standard, smaller diameter product to more complex products and bigger diameters, which complements our portfolio and allows for the creation of industrial synergies with other plants of the Group", added Esmorís.

Awaji Materia, founded in 1944 and dedicated to the manufacture of stainless steel and carbon fittings, has a high level of market penetration in Southeast Asia, as well as in North America and Japan.

About TUBACEX

TUBACEX is a multinational group with its headquarters in Alava and a global leader in the manufacture of stainless steel and high-alloyed tubular products (tubes and accessories). It also offers a wide range of services from the design of tailored solutions to installation and maintenance operations.

It has production plants in Spain, Austria, China, Italy, the United States, India and Thailand and worldwide service centers and sales offices in 38 countries.

The main demand segments for the tubes manufactured by TUBACEX are the oil and gas, petrochemical, chemical and power generation industries.

TUBACEX has been listed on the Spanish Stock Market since 1970 and is part of the "*IBEX SMALL CAPS*" Index.