Presentation of the results

1st QUARTER OF 2018

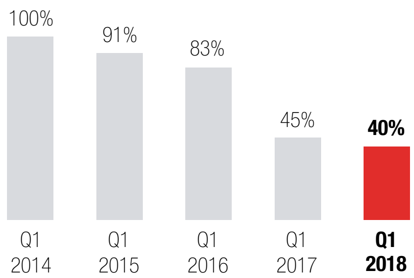
"TUBACEX has made sales and production efforts geared to improving our market standing in the Premium product segment, which now enable us to face this financial year from a good position in terms of backlog."

After three years of the worst crisis in the oil sector history and thanks to our Company's strategic position, in the last few months we have started seeing the first signs of recovery. The upward trend in the price of oil and raw materials combined with a change in trend in the main sector companies' investment projects, have enabled us to forecast a return to regular market levels. In this context, we need to bear in mind that more time is required for this recovery to materialize into a sustained general increase of demand for our products.

This fairly optimistic view of the future is not based on a consolidated recovery in volumes and market prices; but rather rooted in a strategic position which is dramatically different from our pre-crisis situation. We are efficiently transforming the industrial structure of the Group allocating the manufacture of different products according to each plant's capabilities. Thanks to the development of our R&D investments we continue to expand our product and service range, positioning ourselves as a leading supplier of advanced technological solutions. We have also undergone a commercial restructuring to adapt to the new portfolio of the services we provide. As always accompanied by a strict cost control and efficient Balance Sheet management which enable us to enjoy a solid financial position, that guarantees we can meet our financial obligations over the next 3 years.

Contracts awarded

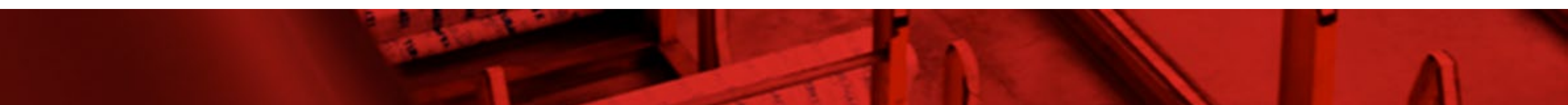
For Upstream, Midstream, Downstream and PowerGen projects in ($M) using 2014 as a baseline.



Source: EIC Projects Databasis, TUBACEX

In recent years TUBACEX has made sales and production efforts geared to improving our market standing in the Premium product segment, which now enable us to face this financial year from a good position in terms of backlog. Thanks to our progress in the performance of this high technological value order book, today we can present results showing major sales and profitability growth both in relation to the last quarter as well as to the same quarter of the previous financial year, placing us at levels comparable to 2014 financial year, i.e. pre-crisis levels. Based on the progress in the implementation of our current backlog, we hope to maintain this steady improvement trend quarter after quarter.

Jesús Esmorís
CEO



1 Market environment

World economic data continue to support favorable global growth forecasts for 2018. This predicts an accelerated growth based on positive financial conditions, reasonable oil prices for importers and exporters, the recovery of large emerging countries such as Brazil and Russia, as well as the maintenance of optimal economic growth rates in Asia. India, China and Middle East are nowadays reference regions for the Group's positioning in its commercial and industrial structure.

The price of **raw materials** continued the upward trend identified over the last quarters. As a reference in our industry, **nickel** closed March at $13,300 per ton (at the date of this report it is above $14,000), up 8.1% on the 2017 year-end.

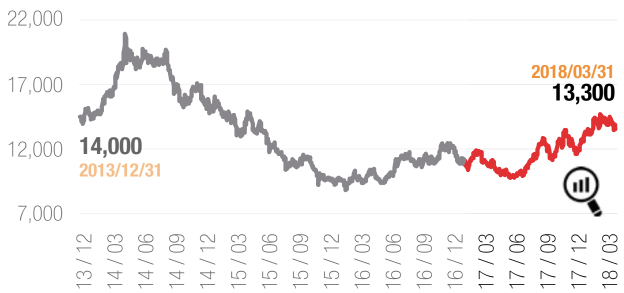
In average price terms, the average price of nickel LME has stood at $13,313.9 per ton, up 27.3% on the average price in 2017.

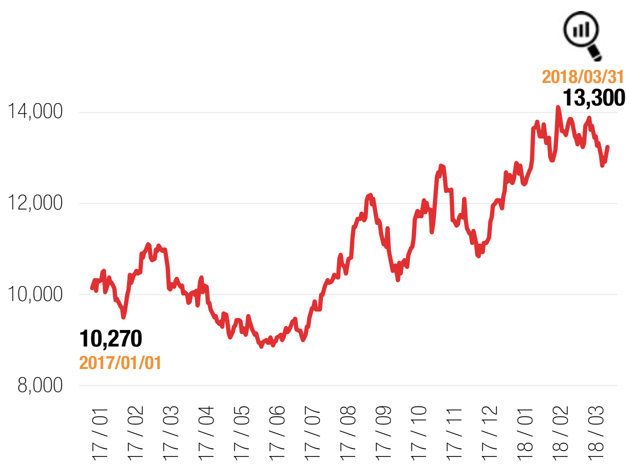
The other two alloys with significant weight in the Group's supplies for the manufacture of stainless steel are **molybdenum** and **chromium**. They have both also experienced an increase in prices in the first quarter. The price of molybdenum closed the quarter up 29.8% on the 2017 year-end, and chromium 2.2% higher. As in the case of nickel, symptoms of higher level of activity.

The positive trend in **oil** prices has also been maintained. The Brent barrel closed the first quarter of the year at 70.27 USD, up 5.1% on the close of 2017.

Evolution of the nickel price

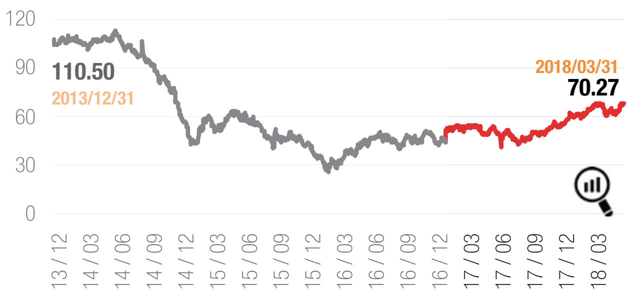
DEC 13 - MAR 18 ($/TON)

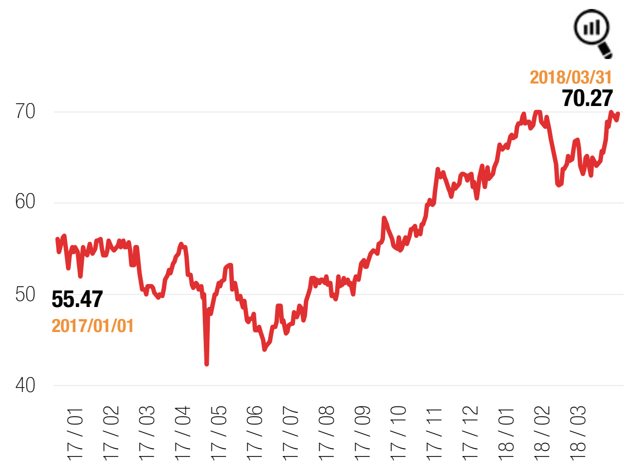




Evolution of the brent price

DEC 13 - MAR 18 ($/barrel)





2 Key financial figures

The figures presented in this report show a significant improvement in relation to those of the first quarter last year, despite that being an exceptionally good quarter. The backdrop where these results are generated, a budding although not yet recovered market, adds a higher qualitative value to these figures.

Sales during the first quarter of 2018 amounted to €168.5 million, 28.3% over the sales registered during the same period in 2017. This is mainly due to an increased weight of high technological value products in the total Group sales. EBITDA stood at €15.8 million, 21.0% above EBITDA in the first quarter of 2017.

Furthermore, the EBITDA margin reached 9.4% thanks not only to the favorable invoiced mix but also to the Group's ongoing efforts to adapt its cost structure to the current environment.

Financial figures
€M

	Q1 2018	Q1 2017	change %
Sales	**168.5**	**131.3**	**28.3%**
EBITDA	**15.8**	13.0	**21.0%**
EBITDA margin	*9.4%*	*9.9%*	
EBIT	**6.5**	4.6	**40.5%**
EBIT margin	*3.9%*	*3.5%*	
Profit before taxes	**2.9**	2.8	**2.4%**
Margin	*1.7%*	*2.2%*	

	2018/03/31	2017/12/31
Working Capital	217.1	193.0
Working Capital / Sales	41.1%	39.4%
Equity	282.6	281.8
Equity / Net Financial Debt	107.4%	111.2%
Net Financial Debt	263.1	253.5
NFD/ EBITDA	*9.2x*	*9.8x*

The working capital has closed the quarter at €217.1M, which represents 41.1% of the sales figure and an increase of €24.0M with respect to the year end. The net operating working capital increase is chiefly linked with the product in progress related to the manufacture of multi-annual projects of integrated tubular solutions, mainly OCTG and Umbilicals.

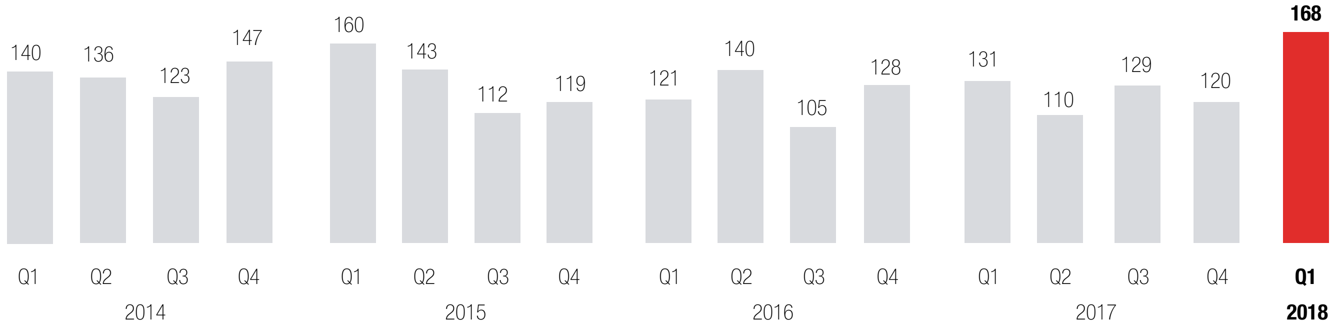
Net financial debt amounts to €263.1 million, which represents an increase of €9.6 million with respect to the end of 2017 and a net financial debt over EBITDA ratio of 9.2x. It is essential to bear in mind that this debt ratio corresponds to a temporary situation characterized by a high debt figure following the acquisition and integration of two strategic companies in 2015, an EBITDA that was significantly affected by the weak market situation and high working capital level linked with major backlog projects. The impact of stocks corresponding to these orders exceeds €60 million and it is worth highlighting that it is a fully sold stock with a very high profit margin. Finally, it should be stressed the solid financial position of the Group with a differential cash position enabling us to meet the maturity of our debt in the next three years.

Tubacex Group predicts a very important deleveraging during the second half of 2018, as the portfolio is progressively performed and results are improved, thereby leading to a gradual reduction in the NFD/EBITDA ratio to reach a level close to 3x at year end.

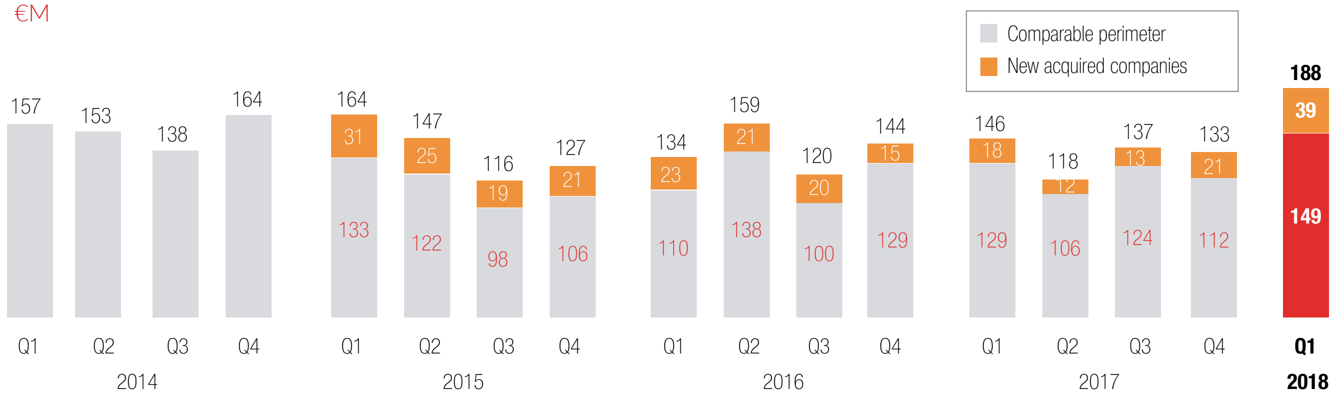
Quarterly evolution

Regarding forthcoming quarters, as already mentioned, no significant changes to market dynamics are expected as the impact of the announcement of increased investments in the sector will take some time to result in a greater demand for the Group products. However, our Premium product backlog enables us to anticipate a gradual improvement in results throughout the financial year.

Quarterly evolution of the sales figure
€M

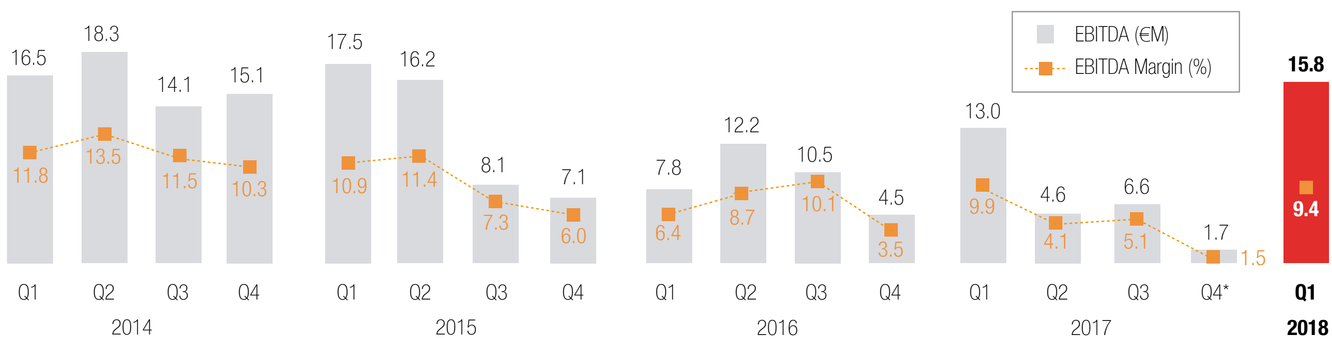


Quarterly evolution of the adjusted sales figure*
€M



** Sales figure calculated assuming the stable nickel price of 2012.*

Quarterly evolution of the Ebitda figure
€M



** EBITDA generated in the fourth quarter of 2017 includes extraordinary adjustments corresponding to the regularization of equipment, tooling and stocks linked to the manufacturing of conventional products in Austria which will be moved to India.*

3 Business evolution

Evidence of sector recovery and the activation of projects which were put on hold during the crisis encourage us to predict a progressive recovery of activity will take place in forthcoming years.

Although the **distribution channel sales** figure is still low, it is beginning to show a recovery trend driven by the successful global implementation of Tubacex Service Solutions, along with the improved performance of the European market, not to mention a positive trend in raw materials prices.

The channel of **direct sales to engineering and end users** remains to be our principal sales channel, accounting for 64% of the Group's turnover, in line with the Company's strategy of intensifying our presence in high value-added products and services aimed at end users.

The **Oil&Gas E&P** sector accounts for 47% of the Group sales through this channel. This substantial percentage is based on the performance of the current backlog with major orders for OCTG for gas extraction as well as tubes for Umbilicals. Regarding OCTG, it is worth mentioning negotiations for some significant orders are currently under way to be undertaken once the current project in the Middle East, which covers almost the entire installed capacity for these products for the next two years, reaches completion. In the Subsea, Umbilicals, Risers and Flowlines (SURF) segment, it must be stressed the good performance of tubes for Umbilicals with a major order backlog for this year and excellent project award prospects for the short/medium term. It is also necessary to point out that this product success is not exclusively limited to the Austrian plant (SBER). The Spanish company TTI has started manufacturing central tubes with demand volumes showing a firm upward trend.

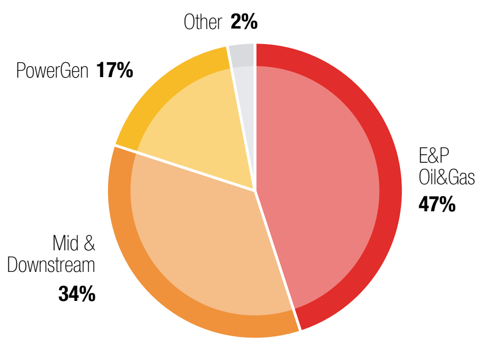
The **power generation** sector represents 17% of sales and is undergoing a normalization process after the halt of 2017. Order intake during the first quarter has noticeably improved; where we should highlight the awarding of two major orders for tubes for boilers. TUBACEX continues to improve its position on this market and expand its service offer with the development of a new generation of Advanced Ultra Super Critical Boilers, which are capable of withstanding up to 700 °C at coal plants. This new boiler type is expected to be very well received in Asia, where the first test orders have already been placed for material characterization. Regarding the nuclear sector, after three years of stagnation, some recovery can be identified in order intake, particularly in the UK, Egypt, Hungary and India markets.

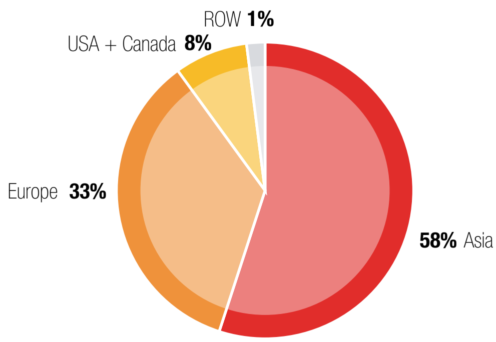
As for the **Mid and Downstream** sector, performance has remained stable. TUBACEX strategy in this segment is based on expanding our product and service portfolio in addition to selling integral tubular solutions. A good example of this is the order placed by a major refinery in China which includes different types of products served by Spanish and Italian plants.

Breakdown by sector

Breakdown of direct sales to engineering firms and end-users
Q1 2018

Breakdown by final destination





From a geographic viewpoint, Asia continues to be the Group's main market with 58% of sales due to its high exposure to gas extraction E&P segment as well as to power generation.

As growth projections in this region are high for the forthcoming years, the Group is reinforcing its industrial and commercial presence in this area.

4 Significant events

Increased market share in the power generation segment

In the first quarter of the year, TUBACEX has won two major orders with Asia as final destination. This increase in the order intake of this kind of tubes reflects the good competitive position of the Group in the conventional electricity generation market and in particular, in advanced supercritical boilers solutions.

Antidumping measures extension

On March 6th, the European Commission (EC) announced an extension for five years of the anti-dumping measures on Chinese seamless stainless steel tubes, which have been in force since 2011. The measures represent a tax impact on tubes ranging from 48.3% and 71.9% depending on the manufacturer.

TUBACEX attended the Nitrogen + Syngas conference (Gothemburg) and Subsea Tieback forum and exhibition (Texas)

One more year, TUBACEX has taken part in the Nitrogen + Syngas Conference, the leading event in the Fertilizers segment. TUBACEX presented a new steel grade, a nickel-chromium-aluminum alloy defined by its excellent metal dusting resistance.

The Group was also present at the Subsea Tieaback Forum & Exhibition, the biggest showcase for Subsea products in the world.

New dual training programme speciality

As part of our quality dual training program, TUBACEX has completed the definition of our third specialization program oriented to the inspection of metallic materials and welded unions through NDTs. This program will be implemented in forthcoming weeks, covering a number of topics which include health & safety and operational excellence management training, in 600 training hours.

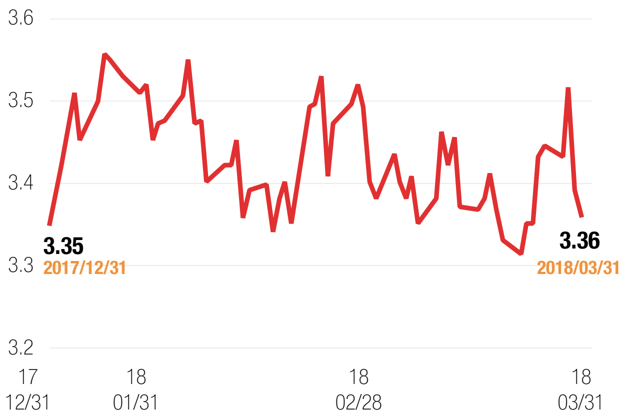
These programs are now leading the quality industrial training offer, as they are designed to be mainly taught in company (75% of total training hours); and as a differential value, they offer the possibility of completing training with a year of international work experience in TUBACEX plants in Europe, the USA or Asia.

5 TUBACEX on the stock market

Share evolution
JAN 18 - MAR 18

The price of TUBACEX share has remained stable during the first quarter of the year, closing March 0.3% above the same at 2017 year-end. On March 31st, TUBACEX share price was at €3.36 representing a market capitalization of €446.8 million in relation to that of €445.5 million in 2017.

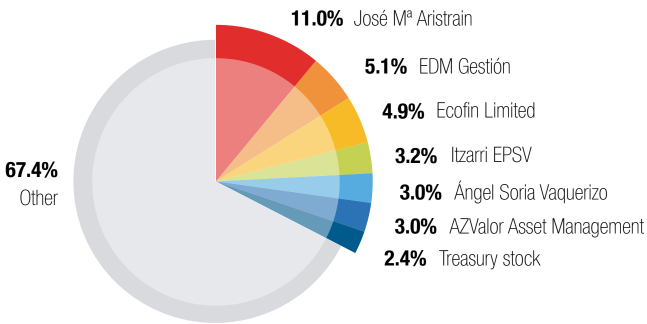
Regarding share liquidity, the number of shares traded from January to March 2018 has amounted to €19.4 million, with effective trading of €66.6 million.



Shareholding
2018.03.31

In the first quarter of the year, there was only one change in the structure of the Company's significant shareholders. EDM increased its stake from 3.1% to 5.1%.

Therefore, as recorded in the Spanish Securities Exchange Commission, the TUBACEX shareholder structure at 31st March 2018 is as follows:



Source: CNMV (Spanish Securities Exchange Commission)

6 Financial figures

Consolidated balance sheet
€M

	2018/03/31	2017/12/31	change %
Intangible assets	51.9	51.9	0.0%
Tangible assets	266.5	272.4	-2.2%
Financial assets	77.8	77.5	0.4%
Non-current assets	**396.2**	401.8	**-1.4%**
Inventories	250.2	248.6	0.7%
Receivables	118.1	75.5	56.5%
Other account receivables	24.9	18.9	31.8%
Other current assets	15.1	6.2	n.m.
Derivative financial instruments	0.3	0.3	0.4%
Cash and equivalents	122.4	154.9	-21.0%
Current assets	**530.9**	504.3	**5.3%**
TOTAL ASSETS	**927.1**	**906.2**	**2.3%**
Equity, Group Share	258.0	257.2	0.3%
Minority interests	24.6	24.6	0.2%
Equity	**282.6**	281.8	**0.3%**
Interest-bearing debt	129.1	79.7	62.0%
Derivative financial instruments	0.6	1.9	-70.2%
Provisions and other	39.6	38.0	4.3%
Non-current liabilities	**169.3**	119.7	**41.5%**
Interest-bearing debt	256.4	328.7	-22.0%
Derivative financial instruments	6.6	5.1	30.3%
Trade and other payables	151.3	131.0	15.5%
Other current liabilities	60.9	39.8	52.8%
Current liabilities	**475.2**	504.7	**-5.8%**
TOTAL EQUITY AND LIABILITIES	**927.1**	**906.2**	**2.3%**

n.m.: Not meaningful.

Consolidated income statement
€M

	Q1 2018	Q1 2017	change %
Sales	168.5	131.3	28.3%
Change in inventories	3.6	12.1	-70.2%
Other income	2.3	1.4	61.4%
Cost of materials	(90.5)	(70.6)	28.1%
Personnel expenses	(33.7)	(32.5)	3.8%
Other operating costs	(34.4)	(28.7)	19.8%
EBITDA	**15.8**	13.0	**21.0%**
EBITDA Margin	*9.4%*	*9.9%*	
Amortization and impairment of fixed assets	(9.2)	(8.4)	10.2%
EBIT	**6.5**	4.6	**40.5%**
EBIT Margin	*3.9%*	*3.5%*	
Financial Result	(3.2)	(1.7)	92.4%
Exchange differences	(0.4)	(0.1)	n.m.
Profit Before Taxes	**2.9**	2.8	**2.4%**
Profit Before Taxes Margin	*1.7%*	*2.2%*	

n.m.: Not meaningful.

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