

## Annual Shareholder's General Meeting FY 2017



### TUBACEX presents its new Board of Directors

- The Shareholders' General Meeting has ratified the appointments of Antonio González-Adalid García-Zozaya as independent director; Isabel López Paños, as proprietary director; and approved the appointment of Iván Martén Uliarte and Jorge Sendagorta Gomendio as independent directors.
- TUBACEX has presented the progress made in its strategic plan, oriented to positioning the company as a global supplier of tubular solutions.
- Framed against a very weakened market, the company closed 2017 with record figures in terms of winning high technology value orders, mainly for the Oil & Gas extraction and Power Generation sectors.
- The company position demands a production structure adapted to each plant capabilities as well as to product strategy.
- TUBACEX has intensified its commitment to the most vulnerable groups launching dedicated programs within the TUBACEX Foundation.

**Llodio, May 23, 2018.** Against a market which is still weak and dominated by uncertainty, TUBACEX has highlighted the value of its strong strategic plan and management model at the Annual Shareholders' General Meeting held this morning in Llodio, and during which the new composition of the Board of Directors has been approved.

After reviewing the main milestones of the year, the Shareholders' General Meeting approved the 2017 annual accounts and the appointment of the Board of Directors including: ratifying the appointments of Antonio González-Adalid García-Zozaya as independent director; Isabel López Paños, as proprietary

director; and the appointment of Iván Martén Uliarte and Jorge Sendagorta Gomendio as independent directors. Álvaro Videgain believes “with this new structure we have confidence to continue fulfilling the market demands and requirements”.



During the meeting, Álvaro Videgain wanted to thank the teams for their performance and the shareholders for their support. Their trust was reflected on the share price with a revaluation of 22.7% in 2017. In particular, at year-end closure on December 31st 2017, TUBACEX share price was at €3.35 representing a market capitalization of €445.5 million in relation to that of €363.0 million at the close of 2016. The number of shares traded in 2017 increased to 103.0 million with effective trading of €328.7 million.

Thanks to its position as a global supplier of tubular solutions, the company closed a record year in terms of winning high technology value orders and hopes to win new projects to secure its growth in 2019 and 2020.

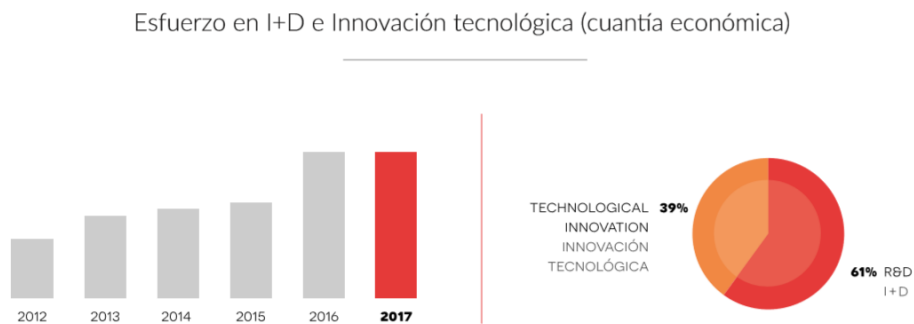
### Comprehensive solutions

“Understanding the needs of our clients requires offering solutions to improve the global efficiency of their projects”, added Jesús Esmorís. Based on that principle, TUBACEX has boosted its R&D&I capabilities, maintaining previous

years' investments while offering engineering, simulation techniques or testing services, among others.

In 2017, new product sales accounted for 35% of the sales volume; while TUBACEX Premium products closed the year at 60%. These figures show a drop in volumes in the high value and profitability key segments such as OCTG, which nevertheless registered record order winning figures.

As well as new alloys and formats, TUBACEX is also committed to developing new products and supplementary technologies. A good example is TUBACOAT, a start-up created in 2012 based on ceramic coatings for steel tubes, which after five years of testing has entered a new industrial and commercial development phase.



In 2017, key investments were maintained not only for strategic product development but also to improve plant processes and efficiency; as well as transforming industrial structures through efficient allocation of the different product manufacturing according to each plant capacity. Investments have risen to €34.9 million.

The company's position demands a production structure basing the production of high value-added solutions in European and American plants, while conventional products are manufactured in Asia. On the other hand, the company expects organic growth in the USA and India in forthcoming years will increase local production while reducing the dependency of other Group plants.

“This decision is a major step towards being closer to our clients”, declared Esmorís.

### **A responsible business**

TUBACEX progress throughout the year has gone beyond the business realm, as its commitment to the most vulnerable groups in the Foundation action pillars: training, social action and corporate diversity has intensified.

Regarding training, TUBACEX has continued to make progress with the dual training programs which are now attended by more than 50 young trainees mainly in the Basque Country and Austria. These four-year training programs focus on quality training and employability.

Furthermore, TUBACEX has also moved forward with its project in collaboration with UNICEF to improve sanitation, access to water and promoting hygiene practices in more than 1257 schools in Palghar. Finally, the company is also promoting the social and professional integration of groups at risk of exclusion such as migrant children and functional diversity groups, through collaboration agreements with local organizations.

“These programs are aligned with our corporate strategy and with the international guidelines established in the UN 2030 Agenda through the Sustainable Development Goals” explained Álvaro Videgain, Tubacex Group Chairman.

### **Outlook for 2018**

Regarding the outlook for the year, TUBACEX have confidence growth projections will materialize and have a positive impact on the profit and loss account. The company is currently negotiating major contracts in the Oil & Gas extraction and PowerGen sectors which support its good position on the market.

On the other hand, the company acknowledges that beyond crude oil price escalation, some decisions regarding international trade made in the USA have a direct impact on the business. In spite of that, the company admits to be well

positioned on the market. “We have the widest market range and are capable of offering integral solutions from design to assistance in installation stages, which gives us a major competitive advantage over our competitors” stated Esmorís.

### **About TUBACEX**

TUBACEX is a multinational group with headquarters in Alava and a global leader in the supply of stainless steel and high-alloyed tubular solutions (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, 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.

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