

Shareholder's Annual General Meeting FY 2018



Diversification, innovation and excellence, TUBACEX's keys to growth

- The Annual General Meeting (AGM) approved the appointments of Francisco Javier Garcia Sanz and Rosa Garcia as Independent Directors and Gema Navarro Mangado as Proprietary Director.
- Furthermore, the AGM approved a supplementary payment of a €3,000,000 dividend to become effective on June 3, adding to the dividend of the same amount paid in January.
- TUBACEX's positioning in key products and regions has enabled the company to emerge stronger from the longest crisis in the sector.
- TUBACEX expects to close the year with the largest Premium product portfolio thanks to an improved business performance, as well as the projected awarding of high relevance orders.
- TUBACEX also highlighted the role played by Fundación Tubacex after three years of activity promoting the UN 2030 Agenda for Sustainable Development.

Llodio, May 22, 2019. TUBACEX's positioning in the high technological value product segment along with its integrated offer of tubular stainless steel solutions have enabled the company to emerge stronger from the longest crisis in the sector. This was demonstrated at the Annual General Meeting held today at the company's headquarters in Llodio. At this event the company reviewed 2018, presenting their vision for the forthcoming years, and finally approved agreements including the new composition of the Board of Directors.

TUBACEX closed 2018 with an EBITDA of €69.6 million, which is the highest since 2008; with sales of €677.3 million, i.e. 38.1% higher than in 2017: and profit reaching €17.4 million. During the AGM, TUBACEX's CEO, Jesús Esmorís, highlighted the value of the company's positioning in key segments, with the signing of three major alliances on high-growth markets; in particular, Egypt, India and the Middle East.

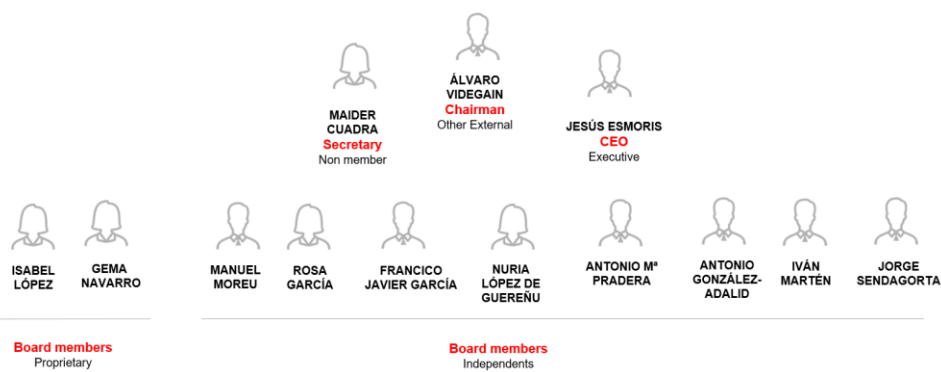
These results reflect TUBACEX strategy focused on product and geographical diversification, with an offer based on a comprehensive solution of stainless steel tubular products. This positioning has enabled the company to come out of the longest crisis in the sector stronger. The company maintained critical strategic investments and an increasing commitment to developing high value-added products during the crisis. TUBACOAT, a company specialized in ceramic coatings, is a good example of this. In 2018, this company started industrialization after several years of product testing at the client's premises with successful results.

Another relevant project undertaken in 2018 was the manufacturing and related R&D of the first prototypes for a new coal-fired thermal power station technology at very high temperature, currently under development in India and with high potential in the medium-long term. The new technology will contribute to reduce CO₂ emissions.

Annual General Meeting 2019

Once the main milestones of the year and the business outlook had been covered, the AGM approved the annual accounts and the corresponding management report for 2018 FY. Furthermore, the AGM analyzed and approved the proposal for the allocation of results as of December 31, ratifying the dividend payment on account of €3,000,000 paid on January 18, 2019; the payment of an additional dividend of the same amount on June 3; and a provision of €7,669.191 for reserves.

On the other hand, the appointments of Francisco Javier Garcia Sanz and Rosa García García as Independent Directors and Gema Navarro Mangado as Proprietary Director were also approved. Likewise, the re-election of Nuria López de Guereñu Ansola, Antonio Maria Pradera Jauregui and Manuel Moreu Munaiz, as Independent Directors and Jesús Esmorís as Executive Director, as well as Álvaro Videgain as external Board Member was also approved.



New Composition of the Board of Directors

As the next item on the Agenda, the Board of Directors presented for voting the authorization for issuance of simple, convertible or exchangeable bonds and other fixed-income securities with a maximum value of €250 million and not exceeding five years from the date of adoption.

Additionally, delegation of the power to approve share capital increases to the Board of Directors was agreed pursuant to the provisions of Art. 297 of the Spanish Capital Enterprises Act, up to a maximum amount of €29,920,225.45. Such share capital increases should take place within five years maximum from the date of approval by the AGM and can either be a nominal value increase for existing shares or issuance of new shares.

Generating value for society

Álvaro Videgain took the opportunity to remember the role played by TUBACEX in generating shared value. Hence, he highlighted the value of the activities performed by the Fundación TUBACEX during its three years of activity promoting the UN 2030 Agenda for Sustainable Development. This Foundation's activity is built on three priority pillars: training as a lever for growth, promoting employment and the employability of young people; diversity, fostering plans to improve social and work integration for those with diverse talents; social action, boosting the economic growth of underprivileged regions where the Group is present.

"We have made progress in our programs and with them in our commitment to the most underprivileged communities", Videgain pointed out, reminding us that TUBACEX joined the UN Global Compact in 2004, ratifying its commitment to its principles on human rights, labor, the environment, and anti-corruption.

Strategic Plan

In the Annual General Meeting, TUBACEX reinstated its commitment to the strategic plan, fully supporting geographical and product diversification. Furthermore, the company will continue to promote its presence on key markets through operational structures enabling it to bring products and services closer to the end user.

In addition, TUBACEX will maintain its commitment to Innovation reinforcing collaboration with external players and promoting technological acceleration to develop high efficiency tubular solutions. The company will launch a multidisciplinary approach and collaboration with technological start-ups to achieve this aim.

Finally, the company will continue to adopt digital technologies, implementing a growing number of technological innovation projects in production plants, enabling the company to uphold its global leadership position.

Outlook for 2019

This FY has started with increased energy and raw material prices. An investment reactivation and the subsequent recovery in order intake have enabled TUBACEX to achieve record figures in terms of monthly intake which were unprecedented since the start of the crisis. Thus, the company has the largest portfolio in umbilicals, one of the Premium products used in offshore wells for hydraulic control and chemical injection services.

Throughout the year, TUBACEX has continued to integrate additional businesses which contribute to increasing its capacity to perform certain projects in the Upstream Sector. This is the case of the NOBU Group, with plants in Saudi Arabia (NTS Saudi), Dubai (NTS ME) and Norway (PROMET), specialized in the manufacture and repair of stainless steel machined components, acquired within the framework of the alliance with SENAAT. SENNAT is one of the largest holding companies in the field of industrial investment in the UAE. In addition to inorganic growth, TUBACEX is promoting the development of own capacities with the construction of a second production plant in the USA, thereby strengthening its strategic positioning in the region.

With a reinforced structure, progressive market recovery and a good positioning in the final awarding stages of unique high value-added projects with an impact on 2020-2022 results, TUBACEX expects to close the year with results in line with those registered in 2018 and with the largest portfolio in the company's history.

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, Italy, the United States, India and Thailand, as well as Saudi Arabia, Dubai and Norway through the Nobu Group, 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. www.TUBACEX.com