



## Results for the 1<sup>st</sup> Quarter of 2015



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## TUBACEX INCREASES ITS PROFIT IN SPITE OF THE SERIOUS OIL CRISIS

- The EBITDA is up 5.7% in the first quarter to 17.48 million Euros with an EBITDA margin of 10.9%
- Net financial debt over EBITDA remains at 2.5 times, below its strategic objective of 3 times

**Llodio, 12 May 2015.-** TUBACEX, the leading global manufacturer of seamless stainless steel tubes and alloys, obtained a profit before tax of 9.36 million Euros in the first quarter of 2015, representing an increase of 22.8% compared to that for 2014, according to the information sent by the company to the Spanish Securities Exchange Commission (CNMV).

These are the first results in which Tubacex includes the Italian company, IBF, within its perimeter and whose consolidation has made an important contribution to the increased exposure in Premium segments and the Group's differential positioning.

The consolidated sales figure stands at 159.76 million Euros, up 13.9% on that obtained in the first quarter of 2014, in spite of the fall in volume as a result of the reduction in capital expenditure in the oil extraction and production sector.

The gross operating profit (EBITDA) is up 5.7% and stands at 17.48 million Euros compared with 16.54 in the first quarter of 2014, with an EBITDA margin over sales of 10.9%, as a result of the Group's efforts to focus on high value-added products and the high standards of operational excellence achieved in its plants, as well as the flexibilization and cost reduction measures that have been successfully adopted since the end of 2014.

Tubacex has maintained its working capital control policy, which stands at the end of this quarter at 248.8 million Euros in this first quarter, representing 38.2% in proforma sales over the past twelve months (including IBF), hence fulfilling the strategic objective of keeping this ratio below 40% in this phase. Furthermore, the net financial debt amounted to 178.12 million Euros, with a ratio over pro



forma EBITDA of 2.5 times, once more fulfilling its strategic objective to maintain this ratio below 3 times.

The Tubacex CEO, Jesús Esmorís, has highlighted the importance of the results obtained in an unfavorable market environment, with a significant reduction in demand and which "demonstrate that the change process commenced with our new Strategic Plan is proving successful and that Tubacex is in a better position to face such an adverse situation"

He has also indicated that he expects that "the market environment will remain in a similar situation throughout the year, with high uncertainty and short visibility in the projects market, particularly in the Oil&Gas segment, and increasing competition in the rest of the markets. However, we are also confident that it is a temporary market situation and that the progress we have made in the first phase of the Strategic Plan will enable us to demonstrate the soundness of our project".

#### EVOLUTION OF CONSOLIDATED RESULTS FOR THE 1<sup>ST</sup> QUARTER

	2015	2014	2013	% 2015/2014
<b>SALES</b>	159.76	140.32	145.51	+13.9%
<b>RESULT GROSS OPERATING PROFIT (EBITDA)</b>	17.48	16.54	14.37	+5.7%
<b>EBITDA OVER SALES MARGIN (%)</b>	10.9%	11.8%	9.9%	
<b>OPERATING PROFIT (EBIT)</b>	10.44	10.86	9.02	-3.8%
<b>EBIT OVER SALES MARGIN (%)</b>	6.5%	7.7%	6.2%	
<b>PROFIT BEFORE TAX</b>	9.36	7.62	5.25	+22.8%
<b>NET FINANCIAL DEBT / EBITDA (Times)</b>	2.5	3.3	5.1	

Figures in Millions of Euros.