



## Results for the first half of 2014



**EBITDA up 11.6%, reaching 34.9 million Euros**

## **TUBACEX INCREASES PROFIT BEFORE TAX BY 39.8% IN THE FIRST HALF**

- The EBITDA on sales for the second quarter stands at 13.5%, the highest in the last five years
- TUBACEX anticipates the fulfillment of the Strategic Plan objectives by one year

**Llodio, 29 July 2014.-** TUBACEX, the second global manufacturer of seamless stainless steel tubes, obtained a profit before tax of 17.9 million Euros in the first half of 2014, representing an increase of 39.8% as compared to that for 2013, according to the information sent by the company to the Spanish Securities Exchange Commission (CNMV). Consolidated net profit amounted to 13.7 million Euros, a figure which represents an increase of 28% on the previous year.

The value of consolidated sales in the first half reached 276.6 million Euros, down slightly on 2013 as a result of the lower alloy surcharge applied to tubes due to the price of the raw materials, particularly nickel. If the nickel price had remained steady, during the first half of 2014 the figures would have increased with respect to those registered in 2013.

In spite of the slight fall in the sales figure, TUBACEX has significantly improved its results and margins in the first half of the year, backed by the increase in *Premium* products and the company's development of operational excellence programs.

Therefore, the gross operating profit (EBITDA) increased by 11.6%, reaching 34.9 million Euros, compared with 31.3 in the first half of 2013. The EBITDA over sales margin stands at 12.6% up to June (13.5% in the case of the 2nd Quarter), above the strategic target of 10% by the end of the year.

Net Financial Debt decreased in the quarter by 16.2 million Euros and stands at 178.5 million Euros; therefore the Net Financial Debt over EBITDA stands at 3.25 times EBITDA (4.53 times in June 2013), moving closer to the strategic goal of reducing debt to 3 times EBITDA in 2014.

The CEO of TUBACEX, Jesús Esmorís, has pointed out that the results for the first half of the year "have maintained the upward trend that has been observed since last year" and added that the "margins achieved in the second quarter are extremely positive, with an EBITDA over sales of more than 13%, whilst the net financial debt over EBITDA continues to fall".

Esmorís, added that given the positive results obtained, in the annual review of the Strategic Plan 2013-2017, TUBACEX has decided to anticipate the fulfillment of the objectives planned for 2017 by one year, to 2016.

#### EVOLUTION OF CONSOLIDATED RESULTS IN THE 1<sup>ST</sup> HALF

	2014	2013	2012	% 2014/2013
SALES	276.6	297.9	283.1	-7.2%
GROSS OPERATING PROFIT (EBITDA)	34.9	31.3	26.1	+11.6%
EBITDA OVER SALES MARGIN (%)	12.6%	10.5%	9.2%	n.a.
OPERATING PROFIT (EBIT)	24.0	20.5	15.3	+16.9%
PROFIT BEFORE TAX	17.9	12.8	9.7	+39.8%
NET PROFIT	13.7	10.7	6.1	+28.0%
NET FINANCIAL DEBT / EBITDA (Times)	3.25	4.53	7.31	n.a.

Figures in millions of Euros. n.a.: not applicable

**For more information:**

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