

Results for the First Quarter 2022



TUBACEX confirms its recovery with the best quarterly result since 2019

- Profit is positive for the second consecutive quarter, consolidating the company's recovery in spite of the global context of instability.
- Sales for the first quarter of the year amounted to €158.1M, up 82.7% on the same period for the previous financial year.
- The EBITDA stood at €19M, which represents a margin of 12%, placing this period as the best quarterly result since 2019.
- With a backlog in excess of €500M, which is the highest in the past four years, TUBACEX is on track with its forecast of obtaining better results in 2022 than those obtained in 2018 and 2019.
- The company has obtained these solid results thanks to the good mix of the backlog and the cost adjustments implemented in recent years.

Llodio, 28 April 2022. TUBACEX has presented its results for the first quarter of 2022 to the CNMV today, having achieved net profit of €3.4M for the second consecutive quarter and therefore consolidates its recovery in spite of the turbulent and unstable situation of the world economy. Sales for of the Company in the first quarter of the year have amounted to €158.1M, which represents an increase of 82.7% compared with the same period for the previous financial year. The EBITDA has risen to €19M, with a margin that has increased to 12%, placing this period as the best quarterly result since 2019.

In spite of external uncertainties, order intake for the quarter has remained solid overall, boosting the backlog to more than €500M, reaching the highest value in the past four years. The energy market is now in an expansion phase after more than seven years of capital expenditure cuts, and the increase in worldwide demand for energy is

accelerating the award of new projects, so the company expects to increase its backlog in the short term.

Therefore, TUBACEX maintains its forecast of obtaining results for the 2022 financial year in excess of those reached in 2018 and 2019.

“The good mix of the current backlog with considerable weight in high value-added products, along with efforts made over the past two years, with adjustments in all cost items, is enabling us to maintain a margin in double figures despite the price rises throughout the entire value chain and particularly the cost of energy, which has significantly hampered results”, declared Jesús Esmorís, CEO of TUBACEX. It is worth pointing out that were it not for the high levels of inflation, which have been unprecedented in recent years, together with pressures in the supply chain and energy price rises, among other factors, the company’s results would have been even higher.

The working capital amounts to €228.1M, up €5.6M on the 2021 year-end, due to the extraordinary effort in inventories that will be regulated throughout the year, to guarantee the production and delivery times of the backlog in light of uncertainties in the supply chain.

Business Evolution

Market recovery is general in practically all sectors and geographical areas although it can be particularly appreciated in the gas sector, boosted by its role as a transition energy, as well as the nuclear sector. High oil prices are leading to the relaunch of many projects in this sector.

Therefore, the breakdown of sales by sector is as follows: Industrial 42%, Gas E&P 18%, Oil E&P 15%, Powergen 6%, Others 19%.

As for **OCTG** (Oil Country Tubular Goods) **tubes**, Western Africa, Australia, South-East Asia and Mexico are particularly relevant in oil extraction and production projects, whilst the Persian Gulf and Middle East stand out to address the growing demand for gas. Furthermore, Brazil and Guyana are regions with a sharp increase in demand, with major orders from Petrobras and Exxon.

As for **Subsea**, the end of tax relief by the Norwegian government in December 2022 foresees an acceleration in the approval of projects from now until the end of the year.

Furthermore, awards for umbilicals are expected in the short term for important projects. On the other hand, the acquisition of TSS Norway is considered to be a significant source of order intake for the supply of packages. The first orders have already been received for high precision machined parts from our NTS subsidiary.

In the **Oil and Gas** sector, there are good prospects in Midstream (transport and storage) and in the relaunch of major Downstream projects (refining and distribution), which have been at a standstill until now, as well as the special components segment, especially in the USA.

In the **Power generation** sector, the nuclear segment is gaining weight in the company with order intake in special components.

Regarding **Other sectors**, a major activation of the fertilizer segment is expected in the medium term; a significant increase in awards in the instrumentation tube segment thanks to the frame agreements with the sector's key players. There also must be highlighted the signing of an important project with one of the main companies worldwide in the aerospace segment, and the first relevant orders received for direct supply to automotive manufacturers.

(€ M)	Q1 2021	Q1 2022	change %	Q4 2021	Q1 2022	change %
Sales	86,5	158,1	82,7%	118,6	158,1	33,3%
EBITDA	0,1	19,0	n.m.	12,6	19,0	51,5%
<i>EBITDA margin</i>	0,1%	12,0%		10,6%	12,0%	
EBIT	(12,6)	7,4	n.m.	0,3	7,4	n.m.
<i>EBIT margin</i>	neg.	4,7%		0,2%	4,7%	
Net Profit	(16,4)	3,4	n.m.	0,2	3,4	
<i>Net margin</i>	neg.	2,1%		0,1%	2,1%	

(€ M)	12/31/21	3/30/22	M€ var
Working Capital	222,5	228,1	5,6
Working Capital / Sales	60,9%	52,2%	
Structural Net Financial Debt ⁽¹⁾	113,8	119,7	6,0
Total Net Financial Debt	336,2	347,8	11,6
<i>NFD/ EBITDA</i>	19,2x	9,5x	

neg.: negative

n.m.: not meaningful

(1) Total Net Financial Debt - Working Capital

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, Norway, Canada and Singapore through the NTS Group, worldwide service centers and sales offices in 38 countries.

The main demand segments for the products 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