



## ANNUAL REPORT **2021**

**TUBACEX**  
GROUP

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## ANNUAL REPORT **2021**



**TUBACEX**  
GROUP

Our purpose is to face the new challenges for human progress, providing advanced industrial products and services

Our vision is becoming a  
***supplier of high added-value  
sophisticated solutions for the energy  
and mobility sectors***



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## Our way of understanding the business

*The world is evolving rapidly.*

*We have reinvented ourselves to find our own path.*

*We face this challenge with responsibility and commitment; our goals are ambitious.*

*We started out manufacturing tubes; now, we are an international benchmark in advanced tubular solutions*

*If the world moves; we push it.*

*We foster innovation, competitiveness and sustainability as levers for change.*

*We look after the environment, promote the circular economy and decarbonization.*

*We are committed to talent. Free from barriers and conditions.*

*We are building a responsible business.*

*We are committed to human progress by providing highly technical solutions. We are global.*

*We define progress as the contribution to well-being and respect for our people, our communities and our planet.*

*Only in this way do we understand TUBACEX.*

**TUBACEX**  
GROUP

# INDEX



# LETTER TO SHAREHOLDERS







Chairman  
**Francisco Javier  
García**



CEO  
**Jesús Esmorís**

## New challenges; new solutions

Dear Shareholder,

The past two years have marked a before and after in our business. The outbreak of the pandemic in 2020 and the subsequent paralysis of global activity put our business model to the test yet again, resulting in a stronger group.

We understood that we had to accelerate our value proposal, increasing our competitiveness; guaranteeing our liquidity and solvency; and improving our commercial positioning. The purpose of all this was to start off from an advantageous position in a recovered market.

And we did so. In this context, we closed 2021 with results marked by a low backlog that we had been experiencing since the outbreak of the pandemic, but with signs of recovery that started to be seen during the second half of the year, returning to profit in the last quarter.

We therefore ended a cycle with a strategic plan focused on the design and manufacture of integrated tubular solutions and a firm commitment to innovation and the development of new products and services. We have gained in

efficiency through the reorganization of production at the Group's different plants, with a product mix that is better aligned with the profile of each plant. We have fostered expansion and sectoral diversification, reducing our dependence on conventional businesses and we have carried out a global restructuring process.

It is time to look to the future with optimism.

We are aware that the start of the year has been marked by instability: inflation as a result of the high energy prices, rising geopolitical tensions, limitations in the supply chains or changes to monetary policies. However, we are also aware that we are starting off from an advantageous position, with a backlog in excess of €500 million and a booming energy market.

We believe in our ability to rise to new challenges.

In recent months, we have defined the lines of our new strategic plan. This new cycle that we are embarking upon will foster our vision of becoming a supplier of sophisticated industrial products and high added value services for the energy and mobility sectors. We are doing so with sustainability as the driving force. This sustainability is linked to profitability and focuses on our planet, our people and our communities. We are aware that the greatest value we can offer our shareholders, cus-

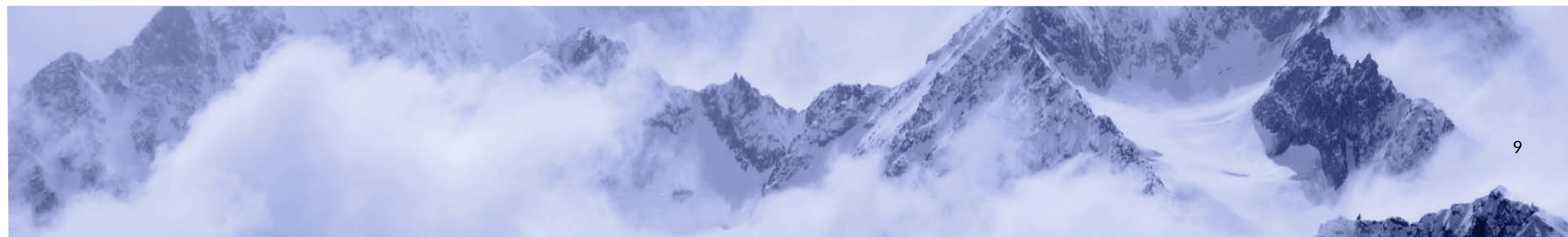
tomers, suppliers, employees and society at large is sustained and responsible progress.

Throughout 2021, we strengthened our governing bodies in order to move forward in our commitment to a more sustainable future. We set up a Sustainability and Good Governance Committee, reporting to the Board of Directors, and a Sustainability Committee, which promotes the work we had been developing to combat climate change, our commitment to talent without barriers, occupational safety or support for our communities, among others.

We have the capacity to become a key player and essential agent in the new energy and mobility models, whose core elements include decarbonization, efficiency and safety.

We are facing this new phase with responsibility and enthusiasm. We believe in our project and our ability to make it a reality. Because we have a human team whose dedication and commitment we would like to acknowledge here, which are key for sustaining and driving a project of these dimensions. And I would also like to thank you TUBACEX shareholders for the trust you have placed and continue to place in this shared project.

Today, we are writing a new chapter in our history together.





# 1

## ORGANIZATIONAL PROFILE



### **1.1**

Group presentation  
and Companies

### **1.2**

Corporate  
Governance



# 1.1

## Group presentatio and companies

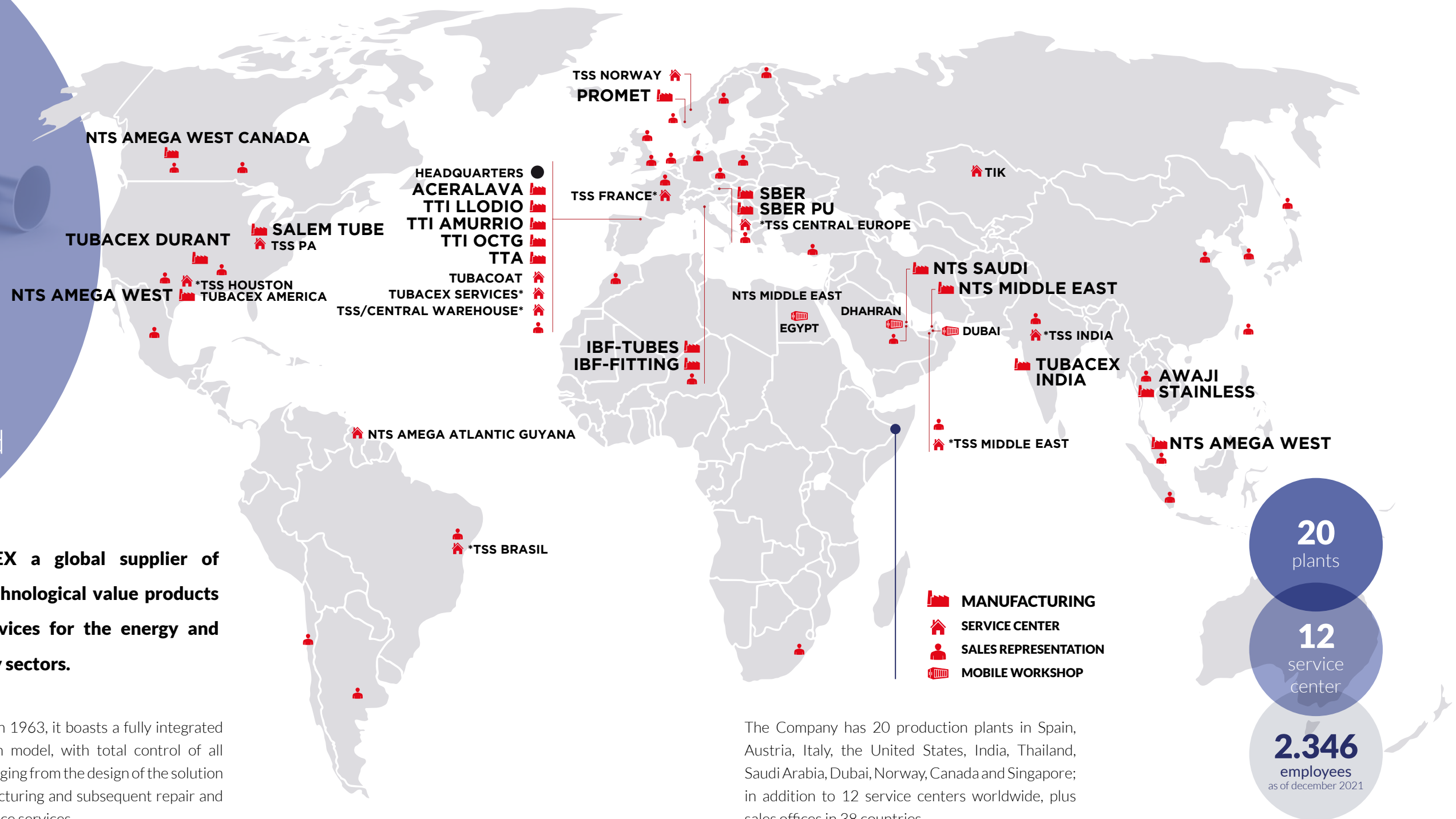
**TUBACEX a global supplier of high technological value products and services for the energy and mobility sectors.**

Founded in 1963, it boasts a fully integrated production model, with total control of all stages, ranging from the design of the solution to manufacturing and subsequent repair and maintenance services.

**SALES**  
**€ 365.0**  
MILLION\*

**Main sectors of activity and sales percentages**

(\*) These figures differ from those included in the Financial Statements due to the effect of discontinued operations (sale of Tubos Mecánicos on December 23rd, 2021), as set out in the prevailing regulation.



The Company has 20 production plants in Spain, Austria, Italy, the United States, India, Thailand, Saudi Arabia, Dubai, Norway, Canada and Singapore; in addition to 12 service centers worldwide, plus sales offices in 38 countries.

**20**  
plants

**12**  
service center

**2.346**  
employees  
as of december 2021



## Companies that form part of the Tubacex Group

### MANUFACTURING

Bars, billets and ingots

**ACERALAVA**  
TUBACEX GROUP

Seamless stainless steel tubes up to 72"

**TTI**  
TUBACEX GROUP

**SCHOELLER BLECKMANN**  
TUBACEX GROUP

**TUBACEX INDIA**  
TUBACEX GROUP

**SALEM TUBE**  
TUBACEX GROUP

**IBF**  
TUBACEX GROUP

**TUBACEX DURANT**  
TUBACEX GROUP

Fittings and special parts up to 72"

**TTA**  
TUBACEX GROUP

**AWAJI STAINLESS**  
TUBACEX GROUP

**IBF**  
TUBACEX GROUP

Stainless steel machined parts

**NTS**  
Group

**NTS**  
Middle East

**NTS**  
Saudi

**NTS** AMEGA WEST  
Singapore

**NTS** AMEGA WEST  
USA

**PROMET**  
NTS Group

### SERVICE

Value-added operations and services: design, simulation, ceramic coating, repairs...

**TUBACEX UPSTREAM TECHNOLOGIES**  
TUBACEX GROUP

**NTS**  
Group

**TUBACEX LOGISTICS**  
TUBACEX GROUP

**TUBACEX SERVICES**  
TUBACEX GROUP

**TUBACOAT**  
TUBACEX GROUP

Stock and service

**TSS**  
TUBACEX GROUP

### Variation in the perimeter in 2021.

In December 2021, TUBACEX sold Tubos Mecánicos as it was not a strategic asset and to steer the Company towards its new growth cycle. Tubos Mecánicos is a distributor of bars and tubes purchased from third parties for industrial sectors, with six warehouses in Barcelona, Zaragoza, Alava, Galicia, Madrid and Valencia.

In addition to this divestment, TUBACEX continued its growth throughout the year with new centers that are added to its perimeter. More specifically, it has added a new company in Kazakhstan (Tubacex IBF Kazakhstan, TIK) and two new companies to house new product development projects.



For further information, visit  
[www.tubacex.com](http://www.tubacex.com)



# 1.2

## Corporate governance

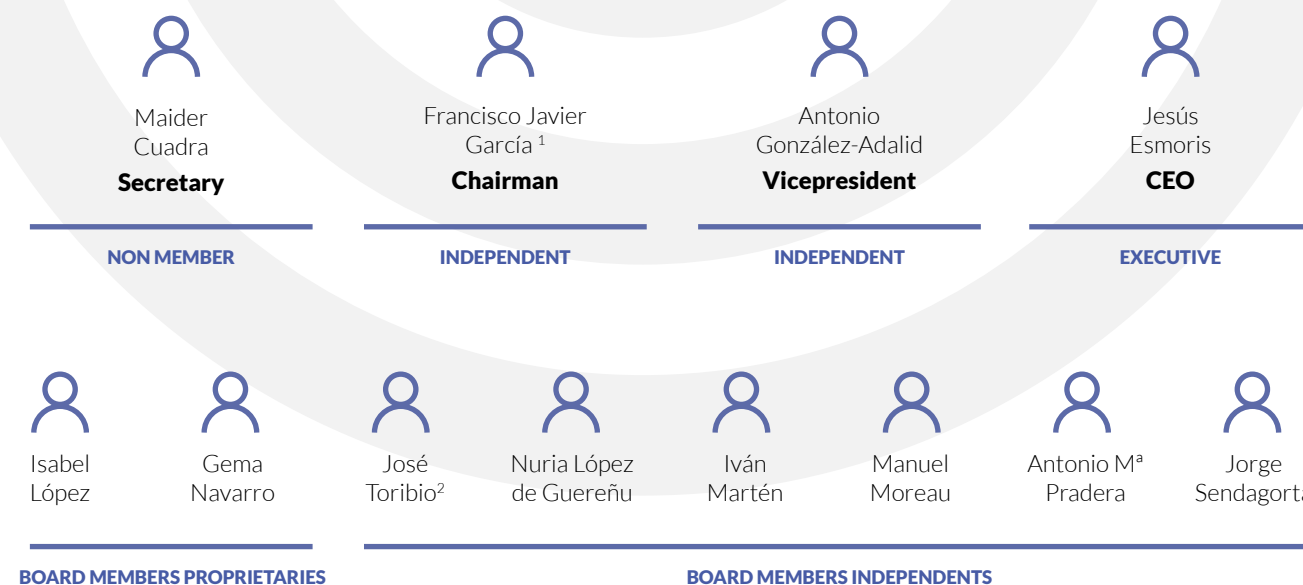
### Board of Directors

In the early 1990s, TUBACEX gradually started to implement all of the good practices in terms of corporate governance, such as those related to the reduced numbers of board members and executive board members, increased numbers of independent board members, the setting up of monitoring committees within the board and the separation of functions.

2021 saw the succession of the Chairman of the Board of Directors with the appointment of Francisco Javier García Sanz, who had already been an Independent Director of the Board of Directors since 2019. It therefore maintains its commitment to best practices in terms of corporate governance, such as the independence of roles

and separation of functions. However, it has gone one step further, as an independent director takes over the chairmanship from a profile with a long history as a company executive.

This has been followed by restructuring of the delegate bodies, reviewing not only their composition, title and powers, but also setting up a new Sustainability and Good Governance Committee. Along the same lines, all of the committees have their own regulation that describes each of their powers and functioning. As a result of all this, the Regulations of the Board of Directors have been reviewed, highlighting the need for collaboration between all current and future committees.



### Composition of the Board of Directors at 31st December 2021.

<sup>1</sup> From June 24, 2021, succeeding Álvaro Videgain  
<sup>2</sup> From September 25, 2021 by co-option

### Sustainability and Good Governance Committee

With the aim of strengthening the TUBACEX Governance structure, and in line with existing recommendations and good practices, the TUBACEX Board of Directors approved the setting up of a new Sustainability and Good Governance Committee at its meeting on 22nd July.

This Committee's functions are set out in the "Regulations of the Sustainability and Good Governance Committee", approved by the Board of Directors at its meeting held on 16th December 2021. Its functions include: Fostering the Company's ESG policies in order to steer them towards the creation of value through sustainable conduct; Guaranteeing that the Group's Strategic Plan integrates and develops the ESG policies and that ESG risks are properly integrated in the Group's risk management and control models; or fostering the Group's fulfillment of the 17 Sustainable Development Goals approved by the UN ("SDG").



Audit and Compliance Committee

Furthermore, at the meeting held on 16th December 2021, the Board of Directors approved the Regulations of the Audit and Compliance Committee (to date this Committee's functions were included in the Regulations of the TUBACEX Board of Directors). The functions assigned to this Committee have been updated in line with the financial reform that took place in 2021, and in particular, with the new features incorporated in the Corporations Act, which defines the responsibilities to be carried out by the audit committees.

Those functions derived from the recommendations of the Good Governance Code of Listed Companies, approved in 2020, have also been incorporated into the functions of the Audit and Compliance Committee. In this context, it is worth highlighting that the Audit and Compliance Committee assumes the function of overseeing the process of preparing and presenting not only financial information, but also non-financial information, as well as overseeing non-financial risks.



For information on the members of these committees, see the [www.tubacex.com](http://www.tubacex.com) website or the non-financial information statement for the 2021 financial year

Appointments and Remunerations Committee

In January 2022, the Board of Directors approved the new Regulation for the Appointments and Remunerations Committee, including the content set out in the Corporations Act and in the CNMV Technical Guide.

By doing so, the Committee adopts the best practices in this area, reinforcing the role this Committee plays before the Board and respect for the executive team, for which it establishes its appointment, remuneration and termination policies. Similarly, it maintains a key role in the handling of conflicts of interest.

Strategy and Follow-up Committee

On one hand, in July 2021, the Board of Directors renamed this body, which had been called Strategy and Investments until then, and on the other hand, it significantly increased its composition. Without altering its powers, at the date of issue of this report, this committee, presided by the current Chairman, also has its own regulation that regulates its powers and functioning.

By the end of 2021, each and every one of the committees had planned its work for 2022 and defined its provisional calendar for the whole year, in line with that of the Board of Directors.

Management Committee

TUBACEX is made up of a set of companies, whose coordination is carried out at group level through the management team that represents the different units and functional areas.

Composition of the Management Committee at 31st December 2021:

	CEO Jesús Esmoris					
	STEEL	EXTRUSION	SPECIAL COMPONENTS	ASIA	USA	TX ADVANCED SOLUTIONS
	Celestino Danis	Celestino Danis	Iker Azkargorta	Ajay Sambrani	Javier Lorenzo	Manuel Sarabia
Sales Corporate Director Antón Azlor						
Finance Corporate Director Guillermo Ruiz-Longarte						
People Corporate Director Manuel Sarabia						
Innovation Corporate Director Diego Herrero						
Supply Chain and Sustainability Corporate Director Charles Kirby						
Business Development Corporate Director Miguel Gómez Lacabex						





# BUSINESS EVOLUTION

# 2

## **2.1**

Market  
situation

## **2.2**

Business  
evolution

## **2.3**

Situation  
by region







## 2.1

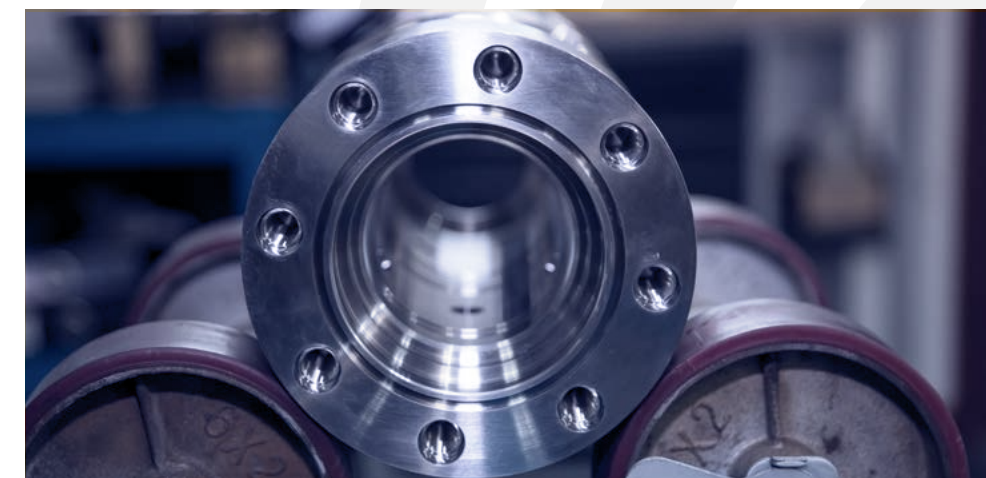
### Market situation

2021 has been characterized by a **market recovery** following the impact of the COVID-19 pandemic. After the sharp decline in 2015-2017, followed by stabilization and slight improvement in 2018-2019, the volume of projects awarded shrank by 4% in 2020 in all sectors, particularly in those aimed at the subsea and offshore oil extraction and aeronautical sectors, due to the impact of the COVID-19 pandemic.

**IN 2021, THE MARKET BEGAN TO RECOVER, WHICH HAS ACCELERATED THROUGHOUT THE YEAR, CLEARLY EXCEEDING LEVELS FOR 2020**

Oil prices recovered to \$80 a barrel throughout 2021. The pressure of cancellations and delays in numerous projects is improving positively, particularly in exploration and production, the most sensitive activity to the price per barrel with a view to positive investment return. This has resulted in an **increase in the backlog for OCTG, umbilicals and other high value-added products in 2021.**

Although future investment plans for the large operators are positive, a degree of caution prevails due to **decarbonization plans in energy operators, a trend in which the Tubacex Group is positioning itself to align its product portfolio with lower emissions.** This allows for optimism in the medium term, with a new boost in sectors like the nuclear industry or the development of new solutions where its products and services may be present. The macroeconomic situation points towards a particularly challenging environment in the short-term, as the project market as a whole remains at around one third below volumes for 2013 and 2014, when oil prices stood firmly above \$100 a barrel.





## 2.2

### Business evolution

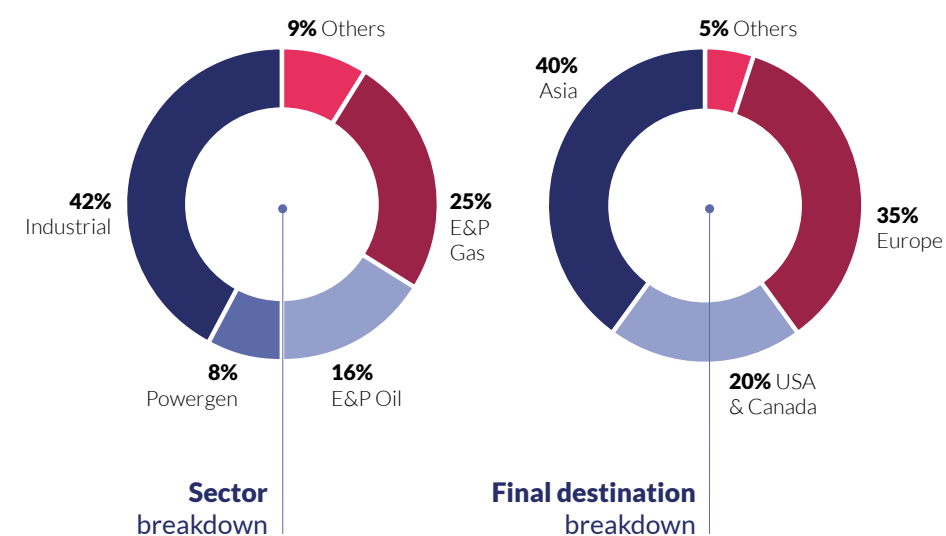
Market recovery is general, but is particularly appreciated in the Gas sector, which a significant part of TUBACEX's high value-added products targets, and it is set to play a key role in the energy transition. The positive tendency experienced by the nuclear sector is also significant. Both energies have been recognized by the European Union as transitional, which means that this positive trend is expected to be maintained and the Group may be able to take advantage of its good positioning in both sectors.

#### GAS AND NUCLEAR ENERGY HAVE BEEN RECOGNIZED AS ENERGIES THAT FACILITATE THE TRANSITION BY THE EUROPEAN UNION



The specific nature of the products and services offered by TUBACEX and their customized design for the projects at which they are targeted means that most of the sales are made to end-users and engineering firms via their respective sales channel. The sales breakdown via this channel is as follows: Gas E&P 25%, Oil E&P 16%, Power Generation 8% and Industrial 42%.

#### Breakdown of direct sales to engineering firms and end-users (2021)



The pandemic not only caused major restrictions and project cancellations, but also low energy demand prospects. Following this situation, 2021 has been a year of clear improvement. Quotes for OCTG in CRA orders have clearly increased and many projects are already in the final award phases. Activity in this segment is mainly related to gas production (Middle East) and to certain geographic areas associated with oil extraction (Brazil and Guyana) where the positioning of TUBACEX is strong and from where major orders have already started to be received. In this field, the award of a major contract by Petrobras stands out, in which supply will start in 2022 and will continue in the following years.





**2021 HAS BEEN A RECORD YEAR FOR ORDERS FOR UMBILICALS, WINING 3 OUT OF THE 4 MAJOR PROJECTS AWARDED, WHICH MEANS THAT 2022 IS KICKING OFF WITH THE HIGHEST BACKLOG EVER IN THIS SEGMENT**

## **E&P Oil & Gas**

The Offshore/Subsea segment has continued the positive trend, particularly in the gas sector, where high prices are leading to the relaunch of projects delayed as a result of COVID. The last quarter has witnessed an increase in activity in the Middle East, South-East Asia (mainly Australia and Indonesia) and Africa. Norway and Brazil have been the main areas for investment in 2021 and this tendency is expected to continue this year. Similarly, prospects are positive for Guyana and the Gulf of Mexico in 2022.

As far as TUBACEX is concerned, 2021 has been a record year for orders for umbilicals, wining 3 out of the 4 major projects awarded, which means that 2022 is kicking off with the highest backlog ever in this segment.

As for the rest of the Offshore/Subsea business, thanks to the acquisition of TSS Norway at the end of 2020, the Tubacex Group has an increased presence in one of the main investment hubs, which has given access to new clients that will lead us to offer new higher value-added services and solutions. As a result of this, TSS Norway has signed framework agreements with the main Norwegian operators and EPCs and is present in the most significant projects in the North Sea.



## **Power generation**

For the conventional power generation segment, 2021 has been a year of low activity given the increasing commitment of national governments to energies with lower CO2 emissions. This trend is joined by logistics problems and the collapse, at certain times, of maritime transport which has led to uncertainty in the supply chain in terms of the fulfillment of delivery times and, therefore, the delay in awards and projects. On the other hand, the energy transition and the need to reduce CO2 emissions have put nuclear energy at the heart of the debate, placing it as a source of transitional energy in the European Union, thanks to its reliability to offset the instability of renewable energies, and to guarantee the stability of electricity supply. Thanks to its historic positioning in this sector and its expertise, TUBACEX is benefiting from the resurgence of the nuclear market. The Group is certified to supply material for all existing designs of nuclear reactors. Proof of this is that it has received major EDF orders in 2021 through the GNMS platform in which it participates whilst extending its presence in other countries.

## **Industrial applications**

As far as the Industrial segment is concerned, the refinery, petrochemical and gas processing activity is increasing worldwide with capacity increases and the renovation of facilities thanks to the environment of high oil and gas prices. However, given the current inflationary environment, many EPCs with extensive portfolios are blaming the rises in the prices of raw materials and throughout the value chain. As a result, many projects in the planning, design or trading phase are immersed in an economic re-assessment process, leading the hydrocarbon processing industry to face delays in project implementation, although the award for major projects for end users like Sinopec or Qatargas must be highlighted.

The rest of the sectors started the year at very low levels, although recovery has been observed in recent months, particularly in the instrumentation tube and aeronautical segments. It is worth highlighting the stable and positive performance of the special components segment aimed at the Oil&Gas drilling and maintenance sector, which is also backed by the environment of high prices.



## 2.3

### Situation by region

From a geographical point of view, **Asia** is still the Group's main market with 40% of sales due to its high exposure to gas, both in terms of its extraction and processing activity and that of power generation. Growth forecasts in this region remain high for the forthcoming years.

### COMMITMENT TO LOCAL MANUFACTURING BRINGS TUBACEX CLOSER TO KEY MARKETS WITH OPERATIONAL PRESENCE IN GUYANA, BRAZIL AND KAZAKHSTAN

The **USA** and, more specifically, the precision industry, must also be highlighted as one of the main focuses of the Group's commercial strategy. In 2021, TUBACEX has consolidated its new production capacity through the new **Tubacex Durant** factory and the acquisition of **Amega West** (with facilities in Canada and Singapore).

In **Europe**, the north of Europe stands out with the development of the new **TSS Norway** subsidiary and long-term contracts with manufacturers of umbilicals.

In Asia there are rapid growth markets, such as **Kazakhstan**, where the Group has consolidated its direct presence, having significantly increased its business volume in the area.

Furthermore, TUBACEX is investing in a service center in **Brazil**, aimed at coordinating the inspection and logistics of material intended for Petrobras offshore activity.





# 3 OUR STRATEGY

Key player in the energy transition

## 3.1

Global restructuring plan

## 3.2

New strategic plan 2022-2025

## 3.3

Risk management



# 3.1

## Global restructuring plan



**PREPARING THE  
ORGANIZATION FOR  
A MORE SUSTAINABLE  
FUTURE**

### 1. EMERGENCY ACTION PLAN AGAINST COVID-19

With the outbreak of COVID-19 in 2020, TUBACEX considered some objectives that enabled the organization to get ready for a new cycle. To do so, it introduced an emergency plan, which ended in 2021, enabling it to save more than €30 million each year. This Action Plan was based on three work lines: financial, costs and commercial.

#### 1.1. Adaptation of costs

Sought savings in the consolidated costs structure of more than €30 million through a rigorous adjustment plan at all levels, increasing the Group's structural competitiveness, which is essential in a market environment dominated by the energy transition. The measures adopted included the restructuring plan that affected the whole of the workforce. This plan was swiftly implemented in all of the Group's plants, with the exception of the plants in Alava (Amurrio and Llodio), where the process ended in October 2021 with an agreement for the reduction of costs and stability until 2025.

#### 1.2. Financial strengthening

Sought to ensure the Group's liquidity and solvency. This approach was successfully completed in 2020 and enabled financial debt to be completely restructured, diversifying it, extending maturity dates and ensuring the Company's liquidity in the short and medium term.

#### 1.3. The sales positioning line

Aimed to maintain and reinforce the Group's sales positioning to take advantage of the return to the market when it happens. This recovery would enable major multi-annual term agreements aligned with the latest deals entered into by the Group to be formalized. An example of this is the portfolio of more than €500 million at the close of 2021, with which TUBACEX faces the coming quarters.

With this restructuring plan, the company has boosted its competitiveness in a market dominated by the energy transition, preparing the organization for a more sustainable future.

The three lines of action have been defined as:

#### Focus on Continuous Improvement

To develop new high added value solutions that cover the existing needs of customers and anticipate their future needs. This effort has enabled totally innovative solutions to be launched in recent years, such as Tubacoat, specialized in ceramic coatings, or the incorporation of services that add value to the customer, such as premium connections, new and more sophisticated grades of steel, new manufacturing technologies that are more efficient, etc.

#### Sales Positioning

TUBACEX has evolved its sales positioning, in order to accompany the end-user of its products.

With a sales team made up of specialized technicians who are involved from the initial project phases in order to offer a complete solution.

#### Focus on Profitability

With a major cost adjustment program at all plants, achieving savings in excess of €30 million at a consolidated level, increasing the Company's competitiveness whilst enabling it to face the potential cycle changes.

All of the work carried out to date enables the energy transition to be faced from an unbeatable position, with the capacity to boost results in the short term and, in parallel, move forward in the diversification and decarbonization objective.



# 3.2

## New strategic plan 2022-2025



With this Strategic Plan, TUBACEX defines its transformation towards a supplier of sophisticated industrial products and high value-added services for the energy and mobility sectors without losing their essence.

**Global Company** with plants and distribution centers in the leading markets worldwide.

**Specialists in high demand applications** where only the most sophisticated solutions can offer the best performance.

**Committed to sustainability** and the net zero emissions plan.



### Business lines:

The TUBACEX business will be divided into three main lines by 2030, which will co-exist, with greater or less impact, in the phases defined within the plan:

**The evolution of current products**, focusing on the decarbonization processes of existing customers, offering high value-added products and services that foster the reduction of carbon emissions and increase efficiency in processes. The company will continue consolidating its leadership position in the OCTG and SURF segments, with high profitability.

**Low emission energies**, based on the development of innovative new solutions for the generation, storage and transport of energy for developing markets, such as hydrogen or CCS.

**The new businesses** with an analysis of organic or inorganic growth opportunities in the energy and mobility sectors.

Global restructuring plan

**PHASE 0: 2020-2021**

Delivering results and cash generation

**PHASE 1: 2022-2023**

Evolution of current products

Growth and Diversification

**PHASE 2: 2023-2025**

Low emission energies

New Businesses



Strategic lines:

To reach the TUBACEX 2030 vision, the company relies on five strategic lines:

1 Sustainability Plan

Fostering an environmentally friendly company committed to people and society, and extending its commitment to the supply chain, with an action plan aligned with the UN Sustainability Development Goals.

Internal processes

In recent years, TUBACEX has focused its efforts on the decarbonization of its internal processes with the aim of reducing its emissions by 60% by 2030 and reaching net zero emissions by 2050; objectives that are aligned with the Paris Agreement and are some of the most ambitious in the Industry. To do so, the focus is on: increasing the efficiency of its production processes thanks to digitalization and new technologies; the use of renewable energies at factories through an agreement to supply renewable energy (PPA) at the Spanish plants, with the aim of extending it to the rest of the plants worldwide.



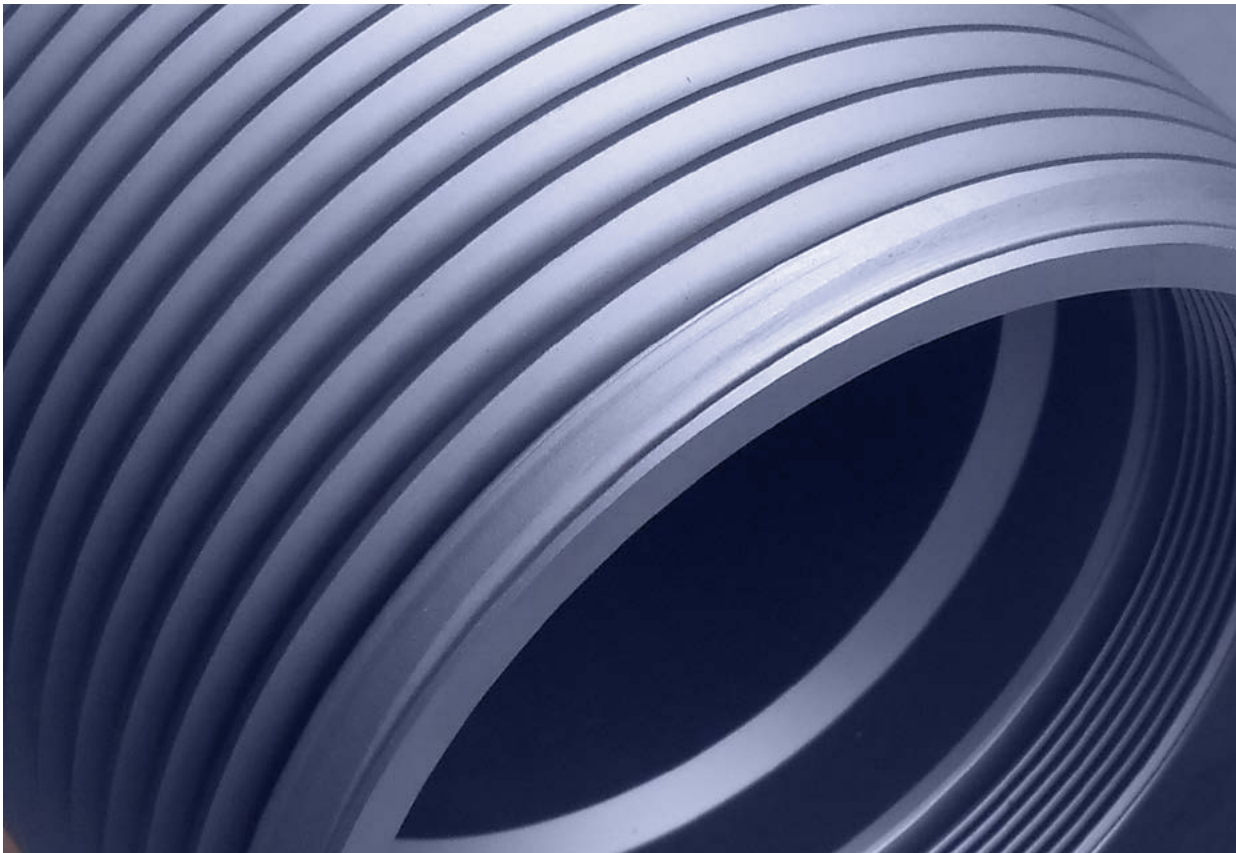
Circular Economy

TUBACEX fosters circularity in its processes through specific investments that increase waste recovery and take advantage of digitalization and the new technologies to achieve additional improvements. In this sense, In this respect, it is worth highlighting the start-up of a solution for the recovery of 100% of the slag from the steel mill, that will allow the recycle of 17000t/year from 2022, as well as avoid more of 3000t of CO2emissions.

It must be taken into consideration that all of the products manufactured by TUBACEX are 100% recyclable, aimed at highly demanding environments in terms of pressure, temperature and corrosion and present the highest resistance to extend their useful life.

Social and Governance Commitments

Priority lines include fostering equal opportunities and corporate diversity; support for vulnerable regions or good governance that guarantees sustainable growth. As a means to channel part of this responsibility to society and people, TUBACEX has its own foundation, which has promoted labor integration, training or community support programs, among others, since 2016.







## 2 Stability of the Current Business

TUBACEX has positioned itself to be able to obtain more stable results, supported by the improved product mix, the commitment to premium products with positive prospects in the short and medium term, and its commercial positioning with the award of long-term contracts.

In recent years, the company has signed several long-term agreements with leading agents in these markets, with good prospects for new agreements that will enable it to be positioned wherever demand may be. An example of this can be seen in the OCTG (Oil Country Tubular Goods) products segment with a strategy focused on positioning with National Oil Companies and local content to sign long-term contracts with a solution (thread, technical service, stock); Umbilicals: a segment, with a positive short-medium outlook thanks to the positioning with leading actors in the market aimed at simplifying the value chain and adding additional services to the sale of umbilicals, such as welding, adapters or logistics services; or H&I, in which the company shall continue developing its tubing business, focusing mainly on the American market.

## 3 Diversification

Whilst the traditional TUBACEX business maintains stable results, the company is accelerating its diversification plan aligned with decarbonization demands. In spite of its good positioning in other industries, such as aeronautics or instrumentation, TUBACEX is pushing its diversification strategy in order to achieve



a more balanced business mix, focusing on gas, a transition energy towards green power and an alternative to coal. This line will be based on two aspects that will require an analysis of internal development or inorganic growth opportunities:

- i. Increase sales in developing businesses, such as the aeronautical, pharmaceutical or semi-conductor industries.
- ii. Presence in new sustainable businesses with the development of new products in sustainable applications, such as hydrogen generation, storage and transport, CCS applications and others.

## 4 Reduction of Net Debt

To reach the TUBACEX 2030 vision, it is necessary to reduce debt, by taking advantage of the sector's positive cycle and focusing on profit and cash flow generation.

Furthermore, it is necessary to continue working on ways to reduce working capital requirements, maintaining optimum inventory levels for each plant depending on its business and with digital solutions that enable working capital to be optimized.

## 5 Competitiveness

To achieve this debt reduction and maintain the traditional business stability, it is necessary to be competitive. In 2020 and 2021, the company was restructured in order to be ready for this strategic plan and adapted to the new market situation. The focus is on maximizing competitiveness through clear diligence in operating costs, management of raw materials and scrap, and operating excellence, based on digitalization.



# 3.3

## Risk management

### IN 2021 TUBACEX INCORPORATED CLIMATE AND TRANSITION RISKS INTO ITS GLOBAL RISK MODEL



Generally speaking, a risk is considered to be any threat that an event, action, or omission may prevent the company from reaching its objectives and successfully carrying out its strategies. In this respect, the following risks were identified:

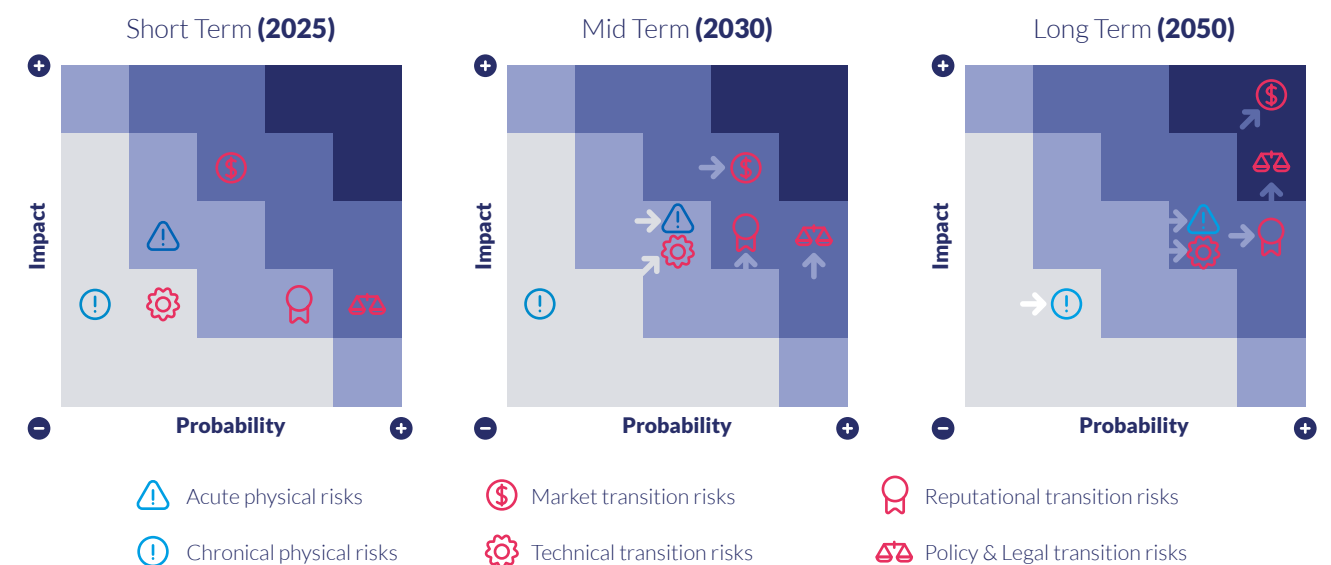
- A.** Business Risks
- B.** Market Risks
- C.** Operational, technological, environmental, social and legal risks
- D.** Corporate Governance, Ethics and Compliance Risks
- E.** Credit Risk
- F.** Strategy and Innovation Risks
- G.** Regulatory and Political Risks
- H.** Climate Change Risks

Within the framework of the strategic reflection process, the corporate risk map is updated annually to identify and measure any risks the

Company may be exposed to, providing an analytical view of the underlying causality and offering a wide view of the Company's global exposure. The map shows where the risk lies and the ways through which this risk may be manifested. It links business processes with their corresponding risks and helps to assess their impact throughout the Company.

Risks are identified through questionnaires and face-to-face interviews with the heads of the different business units and relevant corporate areas. Once the risks have been identified, they are evaluated based on the likelihood of them occurring and impact on the strategic objectives. The projects defined by Management within the framework of the Strategic Plan mitigate the risks identified and enable them to be monitored.

### Climate change risks



In 2021, TUBACEX incorporated climate and transition risks into its global risk model. Climate risks are assessed in accordance with TCFD criteria, evaluating the physical risks as a result of the effects of climate change on the activity, and the transition risks, resulting from the impact of a transition towards a low carbon economy.

The risks were analyzed on three different horizons: short-term (2025), medium-term (2030) and long-term (2050). For each type of risk, their potential sources were identified, evaluating the probability of their occurrence in a secondary scenario, the possible impact on the business

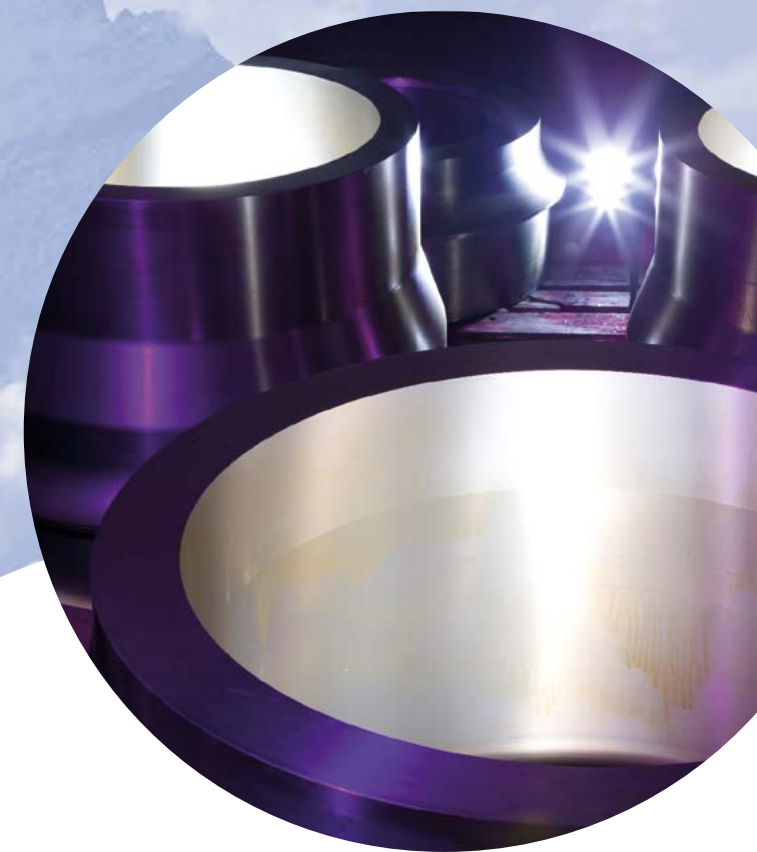
and the time frame for their occurrence. For the financial impact assessment, revenue, expenses, assets, liabilities, capital and financing were all taken into account.

Finally, it is worth highlighting the recent approval by the Board of Directors of a risk monitoring system, whose objective is to carry out a follow-up by part of this governing body of the main risks identified. These risks are measured based on risk appetite previously passed. It is a dynamic system continuous that will adapt to the circumstances of the Group and its environment.



# SUSTAINABILITY 4

**TUBACEX**  
GROUP



## 4.1

Materiality  
assessment

## 4.2

Our contribution  
to the 2030 agenda



# 4.1

## Materiality assessment

TUBACEX draws up a list of material aspects that may pose challenges and opportunities for the Company. To do so, it analyzes internal and external sources, including the materiality benchmarking of other companies, in order to draw up a list of 31 potentially material issues, grouped by their impact on the ESG strategy. These material aspects may be modified with the incorporation of new current aspects.

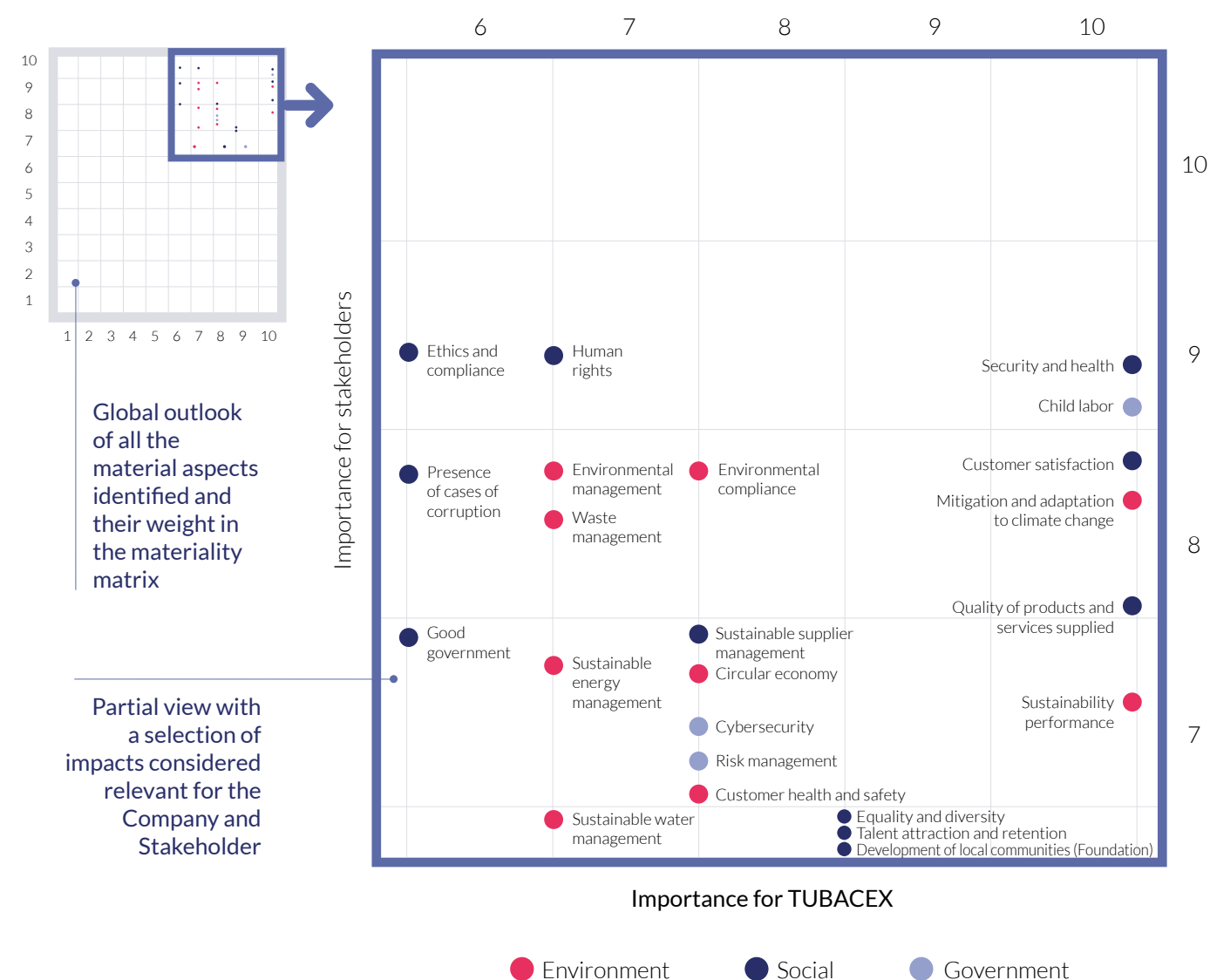


Once identified, the Company prioritizes them, based on the importance of these aspects for each stakeholder and their impact on the business. In the first case, the direct head or heads of the stakeholder to be analyzed assesses the importance of the impact on a scale from 1 to 10, where 10 is the highest score. In 2021, this evaluation was complemented with the Senior Management assessment, evaluating each material aspect in the

same way and its importance for each stakeholder. On the other hand, the impact on the business is evaluated by Senior Management, taking into consideration the evaluation by the Company's most senior executive.

Once the assessment is completed, the material aspects are represented on a matrix, establishing the threshold beyond which the aspect is considered to be significant.

### Materiality analysis





# 4.2

## Our contribution to the 2030 agenda

Since 2004, TUBACEX is a signatory of the United Nations Global Compact, the world's largest voluntary initiative on human rights, labor, environment and anti-corruption. By signing the Global Compact, TUBACEX has undertaken a commitment to promoting the main sustainable development challenges, channeled through the UN 2030 Agenda and Sustainable Development Goals (SDG).

### 60% REDUCTION IN CO2 EMISSIONS BY 2030 AND NET ZERO EMISSIONS BY 2050



### Environmental criteria

TUBACEX has maintained the promotion of its energy transition and climate change strategy as one of its main priorities, establishing a work plan for each of the lines defined on the road map: decarbonization, circular economy, extension of commitment to the supply chain and reporting information. The final objective of all this is to reach its goal of zero emissions by 2050.

Material aspect	UN principle	Main SDG
Sustainable Innovation	9	9
Sustainable management of suppliers	8	12
Sustainable energy management	7,8	12
Waste Management	7,8	12
Environmental Management	7,8	12
Circular Economy	7,8	12
Mitigation and adaptation to climate change	7,8,9	13
Environmental Compliance	7,8,9	13

In 2021, TUBACEX continued advancing firmly on the 2020-2023 road map for environmental sustainability defined in 2019. This road map included specific actions to foster decarbonization in manufacturing processes in order to reduce greenhouse gas emissions; a production process aimed at resource efficiency, fostering circularity; and a purchasing policy based on sustainable crite-

ria. All of this in order to reach the goal of a 60% reduction by 2030 and net zero emissions by 2050 (scopes 1 and 2) as reflected in the public commitments acquired by TUBACEX and validated by the Science Base Targets in 2020.





### Decarbonization

In addition to its public objectives for emissions reduction (SBT), TUBACEX participated in the prestigious CDP classification for the first time, with a score of “B”, indicating its firm commitment to the climate. This disclosure and scoring system is recognized as the leading standard of corporate environmental transparency.

As a major milestone during the year, TUBACEX began the process of analysis and negotiation in order to extend the long-term agreement in terms of electricity supply (PPA) with renewable sources of energy, currently active in the Spanish plants (TTI and ACERÁLAVA), to the rest of the business units. Along with this, there is an agreement for non-fossil supply in the American plants. In this way, the Company has taken another step in its emissions reduction strategy by reducing its dependence on energy from fossil fuels.

### Circularity

In 2021, public commitments were established to reduce waste and improve the water intensity at production plants. Progress was also made on the project for the construction of a waste recovery plant to avoid its dumping, and extending the scrap recovery model to other plants in the Group (Austria). In 2021, TUBACEX also worked on a project to improve the use of recycled material with a reduction of 14% in the use of materials with a higher environmental footprint (Ni, Cr, Mo).

### Supply Chain

TUBACEX extended its corporate purchasing policy to include ESG aspects, continuing its assessment processes until reaching 700 suppliers through its pilot risk management tool for suppliers.

### Reporting

In terms of reporting, TUBACEX has defined a qualitative model based on three risk assessment horizons: climate and transition aligned with TFCD recommendations. Climate and transition risks have also been included in the aforementioned global risk model. On the other hand, an integrated system for the calculation of KPIs with EU taxonomy eligibility (Sales, CAPEX, OPEX) has been established during 2021.

With a view to improving the reporting system, TUBACEX developed a process to evaluate ESG corporate reporting tools in 2021, selecting the Intelix solution, which is considered to be one of the leading tools in its category by the main analysts. It will be implemented in the first half of 2022.

## Social criteria

TUBACEX contributes to social development through the promotion of its workers, offering safe and inclusive workplaces, and the development of the communities in which it operates.

Material aspect	UN principle	Main SDG
Health and Safety	1	 
Talent Attraction and Retention	1	 
Equality and Diversity	6	   
Employee training	•	  
Child Labor	5	  
Development of local communities (Foundation)	5,6	   
Health and Safety of customers	•	 
Quality of the products and services supplied	•	 
Customer Satisfaction	•	 







## People, a key asset

TUBACEX is a global group made up of professionals from more than 17 countries, who drive the business project from their different levels of responsibility. They represent a key asset in order to achieve the strategic objectives and the generation of value for the stakeholders. Offering safe and pleasant work places and having the best talent and developing it are the priority lines in the management of the area, fostering the principles of equality and respect for diversity.

**TALENT  
PROMOTION,  
FREE FROM  
BARRIERS AND  
CONDITIONS**

### Average workforce by company

	2021	2020
Acería de Álava	171	180
Tubacex Tubos Inoxidables	423	431
Schoeller Bleckmann	327	489
Schoeller Bleckmann Technisches Service	44	41
Tubacex Taylor Accesories	26	26
Salern Tube	95	104
Tubacex Service Solutions	60	66
Tubos Mecánicos	69	71
Tubacex S.A. Tubacex Servicios de Gestión	41	48
Tubacex Innovación	15	15
Oficinas Comerciales	41	49
<b>Previous perimeter</b>	<b>1,312</b>	<b>1,520</b>
IBF	157	225
Tubacex Prakash	186	199
Tubacex Services	13	12
Tubacoat	2	3
Tubacex Logistics	3	3
Tubacex Awai Thailand	68	71
Tubacex Upstrerm Technologies	6	8
Grupo NTS	256	283
<b>TOTAL</b>	<b>2,003</b>	<b>2,324</b>
Tubacex Durant	71	39
Arnega West	106	16
TSS Norway	14	1
<b>TOTAL</b>	<b>2,194</b>	<b>2,380</b>

\*100% of the Group's companies are included.



Safe work environments

Health and safety at work is the main concern for TUBACEX. The Company is very aware of the impact and risks derived from its activity and it is its priority to work in a safe environment. It has specific management processes, corporate policies and action plans to minimize the impact of its activity on the human resources. The main production business units in Tubacex Group are certified to ISO 45001, one of the most demanding in terms of health and safety. TTI & ACERALAVA were the last ones to become certified in 2021.

Work accidents (frequency and severity) broken down by gender

	2021			2020		
	Men	Women	Total	Men	Women	Total
Accidents with sick leaves	36	3	39	53	5	58
Accidents without sick leave	52	3	55	81	9	90
Total number of accidents	88	6	94	134	14	148
Frequency <sup>[1]</sup>	13.37	6.58	12.38	13.86	8.41	13.12
Severity <sup>[2]</sup>	0.50	0.05	0.44	0.54	0.33	0.52

\*100% of the Group's companies are included  
<sup>[1]</sup> Number of accidents with leave per million hours  
<sup>[2]</sup> Number of days lost per accident with leave divided by number of hours worked per thousand

ISO  
45001

TUBACEX  
INDIA

IBF

TUBACEX  
SERVICES

SCHOELLER  
BLECKMANN

ACERALAVA

TTI

SALEM TUBE



THREE WOMEN  
ON THE BOARD OF  
DIRECTORS

40% OF WOMEN IN  
TECHNICAL AND  
PROFESSIONAL  
POSITIONS

Equality and diversity

TUBACEX is committed to the promotion of equal opportunities and diversity. Its multi-national and multi-cultural nature represents a rewarding aspect that is preserved and promoted in the units. Therefore, the Company creates and promotes diverse and inclusive work environments that contribute to fulfilling its corporate and business objectives, avoiding situations of labor and remuneration discrimination.

Employees by country and gender

	2021			2020		
	Men	Women	Total	Men	Women	Total
Spain	656	144	800	683	147	830
Austria	337	39	376	485	51	536
Italy	144	16	160	209	19	228
India	188	11	199	202	10	212
UAE	119	19	138	120	18	138
United States	215	38	253	143	26	169
Saudi Arabia	86	9	95	110	14	124
Thailand	48	20	68	47	24	71
Norway	36	7	43	28	2	30
France	6	1	7	7	2	9
China	3	3	6	3	3	6
Brazil	5	0	5	6	0	6
Germany	1	0	1	4	1	5
The Netherlands	4	2	6	5	1	6
Singapore	14	5	19	5	1	6
Korea	1	0	1	1	0	1
Canada	14	6	17	2	1	3
TOTAL	1,877	317	2,194	2,060	320	2,380

Talent attraction and retention

TUBACEX is a flexible company that adapts to and anticipates new tendencies in terms of talent attraction and retention. It is fully aware of the need to attract and retain talent, as well as gaining the loyalty of professionals who are actively seeking employment and that of its own employees. Therefore, it encourages professional development, communication and participation, which affects the satisfaction level and commitment to the business project.

Training hours

	2021	2020
Management	1,019	2,451
Middle management and supervisors	1,599	725
Technicians and professionals	3,867	2,881
Operations staff	1,5964	8,739
Total number of training hours	22,449	15,796
Average number of training hours per employee	10.2	6.6

\*100% of the Group's companies are included.



## FOUNDATION TUBACEX

### A foundation to channel our support for society

In February 2016, TUBACEX set up its own Foundation; an entity closely related to the business strategy and the UN 2030 Agenda, which has become the main vehicle for promoting projects in the three most relevant areas of action: quality training, corporate diversity and social action. Through its Foundation, it has defined society support programs and established common lines of work for the rest of the Group's business units, aligned with the material aspects identified:

#### Quality Training.

##### Talent attraction and retention.

One of the social objectives pursued by TUBACEX and is the main line of action of the Foundation is to foster talent, and promote youth work and employability. The Foundation drives action plans to invest in future generations and professionals. TUBACEX has dual training plans at its plants in the Basque Country and Austria. By the end of 2021, 15 students were enrolled in these specialized training programs in Austria. In the case of the plants in Alava (TTI and ACERÁLAVA), this training had to be stopped in 2021 due to the labor context, as a result of the impossibility for students to combine theoretical training with training in the plants. On the other hand, TUBACEX is committed to the internationalization of education processes, offering international scholarships. They had to be stopped in 2020 and 2021 due to COVID-19.

#### Corporate Diversity. Equality and Diversity

In addition to promoting gender equality through different plans and policies, Tubacex Group fosters social-labor integration of persons with diverse talent through its Foundation. Thus, the Company keeps a space open for collaboration with specialized bodies for the hiring of persons with disabilities. This line came to a standstill in 2021 as the company was immersed in global restructuring.

#### Local Community Development

Supporting the development of communities where TUBACEX is present through direct and indirect employment or the promotion of collaboration projects with NGOs are part of its commitment to local communities. In 2021, TUBACEX continued its support for the Colabora Birmania NGO. TUBACEX fosters the education of Burmese child refugees in Thailand through a collaboration agreement that was entered into in 2019. Colabora Birmania focuses its activity on promoting education through all stages of child development: orphanages, nursery, schools and support in finding work on reaching adulthood. As in 2020, and due to the situation caused by COVID-19, the schools supported within the framework of this program had to close their doors temporarily and the program's objective was to keep up with lessons from home. In 2021, some programs have gradually recommenced with the return of students to the classrooms.

This is added to other actions developed in 2021 to promote culture and art, supporting projects underway in the Guggenheim and Artium museums.

80 children

4 caregivers and 7 volunteers

Maintenance expenses

#### HEAVENLY HOME ORPHANAGE



123 children

5 teachers

Floor and wall repairs

School fees of 83 children

#### CHICKEN SCHOOL NURSERY



180 children

12 teachers

Maintenance expenses

#### SAW SCHOOL



350 children

16 teachers

Water system and toilet doors repairs

#### KM 42 SCHOOL



**Total expenses:**  
**51,000€/year**





**TUBACEX IS ONE  
OF THE BEST  
POSITIONED  
COMPANIES  
IN TERMS OF  
CORPORATE  
GOVERNANCE**

**Ethics and integrity**

TUBACEX has its own Code of Conduct, which sets out the actions of all members of the Company, extending its principles of behavior to all of the people and organizations related to the Company.

This Code of Conduct, publicly available on its website, is based on the fundamental principles of the Universal Declaration of Human Rights, the International Labor Organization, the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact principles. Beyond legal compliance in countries where the Company is present, TUBACEX also complies with a series of non-negotiable standards, previously identified, defined and developed by TUBACEX within its business Group. This Code serves as a benchmark to measure any activity in aspects such as money laundering, conflicts of interest or any other form of bribery and corruption, among others.

**Human rights**

TUBACEX is fully committed to the protection of Human Rights as they underpin the laws applicable to all the business units upon which each business unit conducts its activity. The Company Code of Conduct establishes strict compliance with the prevailing laws, guided by the principles of the Universal Declaration of Human Rights and fundamental principles of the International Labor Organization, and local law applicable in the countries where it is present.

Human Rights are fully protected by local legislation in each case and endorsed by all those who are part of the group.

Freedom of association and the right to collective bargaining, rejection of forced labor and child labor. In the last respect, it must be highlighted that although the ILO sets the minimum age for entering the labor market at 15, TUBACEX has extended the minimum age established by Spanish law to all its plants.

**Fight against bribery and corruption**

TUBACEX carries out activities which strictly comply with the applicable regulations related to prevention and fight against corruption, promoting the principles of our Code of Conduct and extending this commitment to all companies in the Group or any company we do business with. The commercial activity carried out by the Company is based on strict compliance with the current regulations, managing commercial and contractual activities in a transparent way and in compliance with the principles set forth in our Code of Conduct.



**Good Governance Criteria**

TUBACEX carries out activities which strictly comply with the applicable regulations related to prevention and fight against corruption, promoting the principles of our Code of Conduct and extending this commitment to all companies in the Group or any company we do business with.

Material aspect	UN principle	Main SDG
Cybersecurity	•	
Presence of corruption cases	10	
Ethics and Compliance	10	
Good Governance	10	
Human Rights	1,2	
Risk Management	10	

TUBACEX is one of the best positioned companies in terms of Corporate Governance and is a benchmark for Spanish companies regarding Good Governance ahead of other larger companies. It was one of the first Spanish companies to introduce good governance guidelines into its executive bodies. The Company complies with practically all the existing recommendations in terms of good governance. It also lays out a commitment to continue incorporating into its activities all aspects that facilitate transparency in its management processes.



# 5

## RESULTS

**TUBACEX**  
GROUP

**5.1**  
TUBACEX  
shares  
in 2021

**5.2**  
Fiscal  
information



# 5.1

## TUBACEX shares in 2021

Following a turbulent 2020 on the financial markets due to the COVID-19 global pandemic, the TUBACEX share has performed positively during 2021, closing the year at €1.502 per share, representing a market capitalization of €193.7 million, up 6.3% on the €182.2 million at the close of 2020.

All of the company's share capital is traded on the continuous market of the Spanish Stock Exchange. TUBACEX is part of the Madrid Stock Market General Index and of the IBEX SMALL CAP Index, which is made up of the 30 most important companies after the IBEX MEDIUM CAP.

The highest listed price for TUBACEX shares during the year was €2.00 per share on May 12. By contrast, the lowest listed price was €1.31 on February 12.

As for share liquidity, 78.4 million shares were traded on the regulated market during the year, compared with 88.4 million traded in 2020, which represents a rotation of 61% of the capital.

The Shareholders' General Meeting held on June 24, 2021 approved the reduction of the Parent Company's share capital by €1.8 million, through the amortization of 4 million own shares. By the end of 2021, TUBACEX's share capital stands at €58.04 million, divided into 128,978,782 shares, each with a nominal value of €0.45.

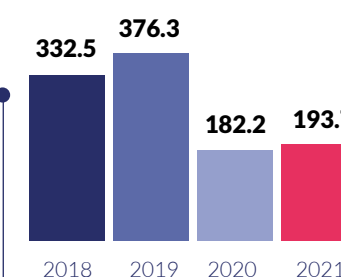
### Tubacex evolution on the stock market

	2019	2020	2021
Share capital (million €)	59.84	59.84	58.04
Nominal value of shares (€)	0.45	0.45	0.45
Number of shares (million €)	132.98	132.98	128.98
<b>Share price</b>			
Maximum	3.08	2.89	2.00
Minimum	2.48	0.94	1.31
Last	2.83	1.37	1.50
Annual evolution (%)	13.2%	-51.6%	9.6%
Trading frequency (%)	100%	100%	100%
<b>Trading volume</b>			
• Millions of shares	33.8	88.4	78.4
• Million €	94.0	128.1	125.4
Rotation (times share capital)	0.3	0.7	0.6
Market capitalization (million €)	376.3	182.2	193.7

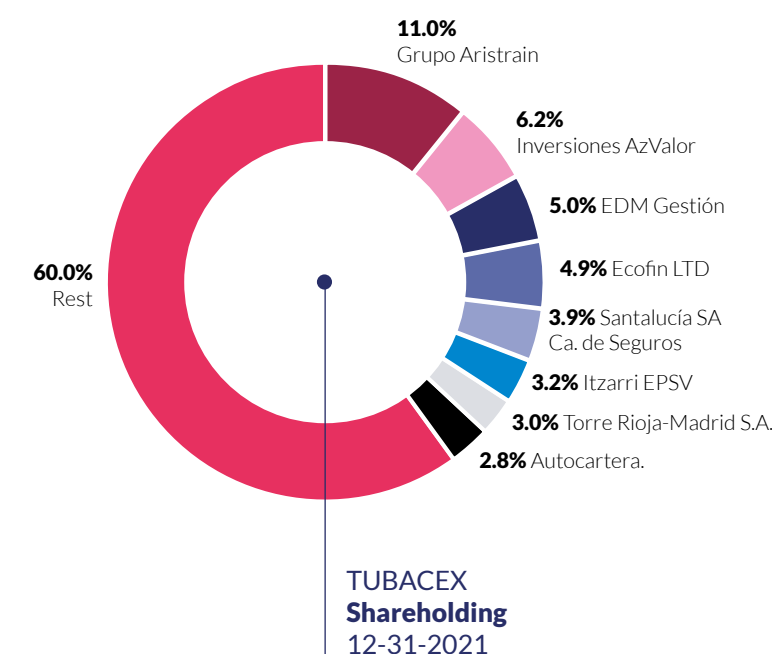
\* Figures in euros.



Share price evolution in 2021



\*Figures in million euros



Source: CNMV



## 5.2

### Fiscal information

The 2021 results for TUBACEX have been seriously affected by the low backlog with which the Company started the year following the low number of orders placed during COVID, and due to the strike at the Spanish plants, lasting almost eight months (ending in October with the signing of a collective agreement that will regulate labor relations until 2025).

**THE GRADUAL  
IMPROVEMENT IN  
THE QUARTER ON  
QUARTER RESULTS  
CONFIRMS THE  
RECOVERY AND THE  
START OF A PERIOD  
OF GROWTH**

(Mill.€)	FY 2021	FY 2020	% change
Sales	365.0	479.6	-23.9%
EBITDA	17.5	38.1	-54.0%
EBITDA margin	4.8%	7.9%	
EBIT	(27.3)	(11.9)	n.s.
EBIT margin	neg.	neg.	
Net Profit	(32.2)	(25.3)	n.s.
Net margin	neg.	neg.	

(Mill.€)	31/12/2021	31/12/2020
Equity Attributable to the Parent	197.4	240.9
Equity / Net Financial Debt	58.7%	80.8%
Working Capital	222.5	206.8
Working Capital / Sales	60.9%	43.1%
Structural Net Financial Debt <sup>(1)</sup>	113.8	91.4
Total Net Financial Debt	336.2	298.1
DFN / EBITDA	19.2x	7.8x

neg.: negative

n.m.: not meaningful

<sup>(1)</sup>Total Net Financial Debt - Working Capital

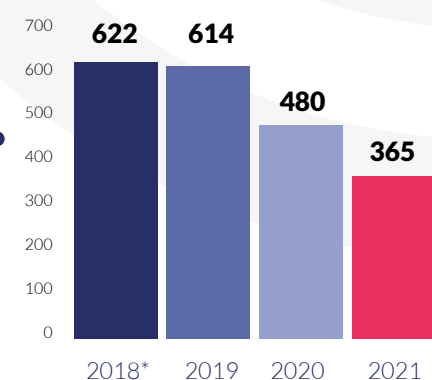
Note: The figures in the attached table differ from those in the Consolidated Income Statement for 2020 and 2021 due to the effect of discontinued operations (sale of Tubos Mecánicos on December 23, 2021), as set out in the prevailing regulation. The same criteria as in previous years has been used to facilitate the comparison of information.

#### Income statement

Sales for 2021 amounted to €365 million and the EBITDA stood at €17.5 million, with a margin of 4.8%.

The gradual market recovery can be highlighted, enabling a significant improvement in results as the year progressed. This fact can be appreciated in the pace of profit generation. During the first half of the year, €266,000 of EBITDA was generated whilst the EBITDA stood at €17.3 million in the second half of the year. This confirms the recovery of the Group's results, having reached their lowest point in the second quarter of the year and now embarking on a period of growth. Furthermore, it must be mentioned that if it was not for the effect of inflation on energy costs and on the value chain in general, the figures for the last quarter would have been even higher.

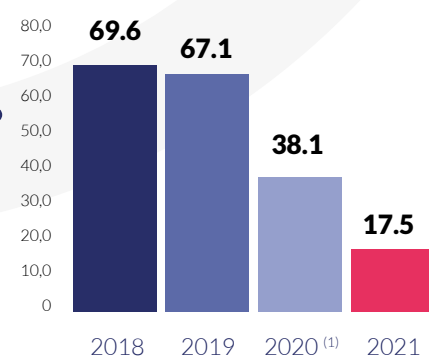




**Sales  
Evolution (€M)**

Consolidated figures

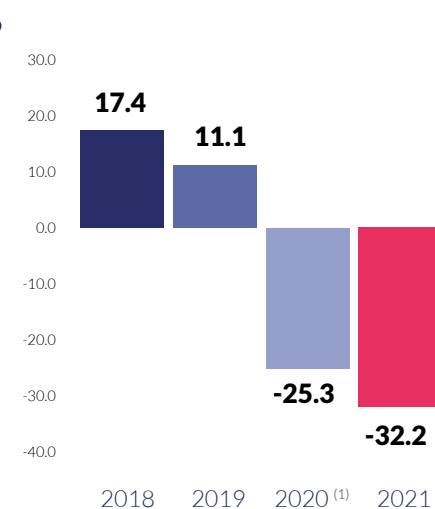
\*2018 turnover has been re-formulated as a result of a re-classification to the amount of €55.2M under the "Revenue" and "Stock Variation" headings, with no impact on the Group results.



**Evolution of the Gross  
Operating Profit  
(EBITDA) (€M)**

Consolidated figures

(1) In 2020: The EBITDA generated in 2020 includes restructuring costs implemented during the year to adapt the Group's structure to the new business environment, as well as a voluntary extraordinary provision.



**Evolution of  
net profit (€M)**

Consolidated figures

(1) The Net Profit for 2020 includes extraordinary negative adjustments made voluntarily for a global sum of €20.3 million without any cash impact.

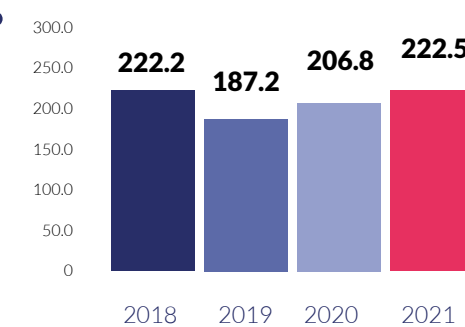
## Balance sheet and financial situation

First of all, it must be mentioned that the reduction of €41.6 million in net equity is mainly due to the combination of three effects: (i) the negative net profit generated; (ii) the amortization of 4 million shares within the framework of the 2020 share buyback program; and (iii) the acquisition of the Group's minority stakes, particularly in India.

Working capital amounts to €222.5 million, up €15.6 million on the 2020 year-end. The percentage represented over sales stands at 60.9%, due to the low activity experienced during the year. However, the ratio is expected to decline to around 30%-35% in 2022, as a result of the return to normal activity at all of the Group's plants.

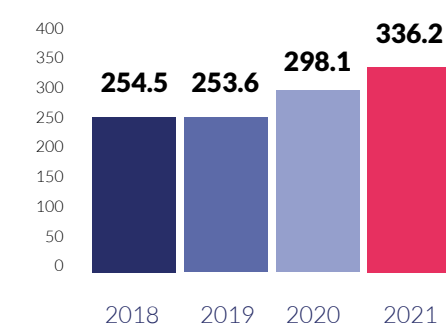
The net financial debt figure by the end of the year stands at €336.2 million, which, combined

with a very low EBITDA, has led the debt ratio to reach very high levels. It is necessary to remember the successful financial restructuring plan implemented by TUBACEX in 2020, which focused on extending the debt maturity and the strong cash position. Proof of this is that the Group maintains a cash position of €158 million and liquidity in excess of €170 million, which guarantees the soundness of the Balance Sheet and covers the maturity of loans until 2024. Furthermore, the foreseeable cash flow generation for the coming quarters thanks to the gradual recommencement of activity in all of the Group's units, the steady improvement in results and the reduction of working capital will enable the net financial debt to be reduced to pre-COVID debt ratios by mid-2022.



**Net operating  
working capital (€M)**

Consolidated figures



**Net financial  
debt (€M)**

Consolidated figures







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