



TUBACEX
GROUP



FIRST QUARTER 2022 RESULTS

Today, we are presenting solid and robust results for the first quarter of 2022, following the upward trend that was observed in the final quarter of last year. The start of the year has been extremely turbulent, with the Russian invasion of Ukraine, inflation levels that are unprecedented in recent years and pressures in the supply chain. For this reason, these results take on even greater importance. Even in such an uncertain environment as the current one, we have reached an EBITDA of €19M, the best quarterly result since 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 double-digit margin despite the price rises throughout the entire value chain and particularly the cost of energy, which has significantly hampered results. Were it not for the aforementioned factors, the results for the first quarter would have been even higher.

We are experiencing an expansive moment in the energy market. After more than 7 years of capital expenditure cuts, worldwide growth demands energy, which is accelerating the award of projects. As indicated in recent publications of results, the gas segment is experiencing exponential growth, boosted by its role as a transition energy, like the nuclear segment. Furthermore, the current situation with the possibility of excluding Russia from worldwide supply is acting as an additional catalyst for the acceleration of both gas and oil projects in other regions of the world. This trend is enabling us to transfer our cost increases to the sales price, so we expect the margin to evolve favorably as the backlog is executed with the new sales prices.

Thanks to our good commercial positioning as a supplier of high technological value solutions and the growing demand for our products and services, our backlog remains in excess of €500M, a figure that is the highest in the past four years and is expected to increase significantly with major awards in the short term. We are therefore embarking on a phase of growth and increased profit generation. As a result, we maintain our forecast of obtaining results in 2022 in excess of those reached in 2018 and 2019.

Jesús Esmoris

CEO of TUBACEX

TUBACEX GROUP

First Quarter 2022 Results Release

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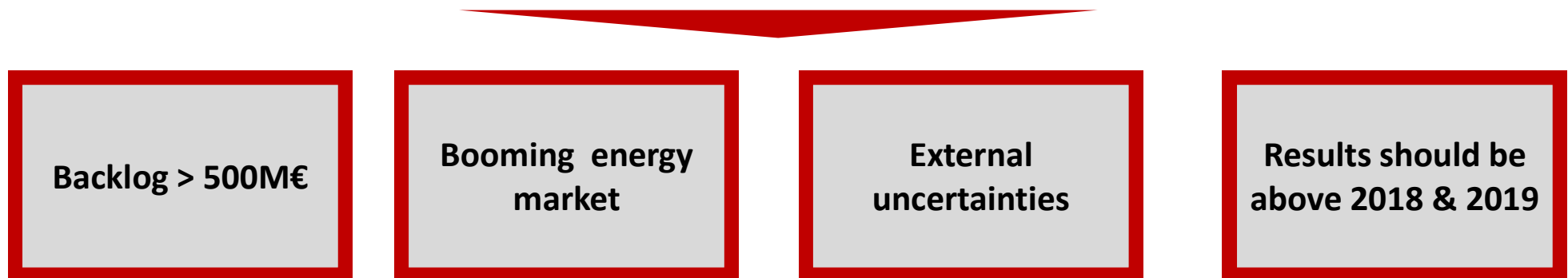


April 2022



Highlights

- The results for the first quarter continue the positive trend which began in mid-2021
- The EBITDA for the first quarter of 2022 is the highest quarterly EBITDA since 2019, confirming TUBACEX's forecast of obtaining results above those for 2018 and 2019
- Despite 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 main factors to monitor over the coming months are inflation, mainly in terms of the price of energy and raw materials, and the macroeconomic uncertainty caused by the Russian invasion of Ukraine
- Given the current geopolitical situation, it must be highlighted that TUBACEX does not have any significant exposure to Russia/Ukraine in its backlog or in its supply chain



Q1 2022 Results

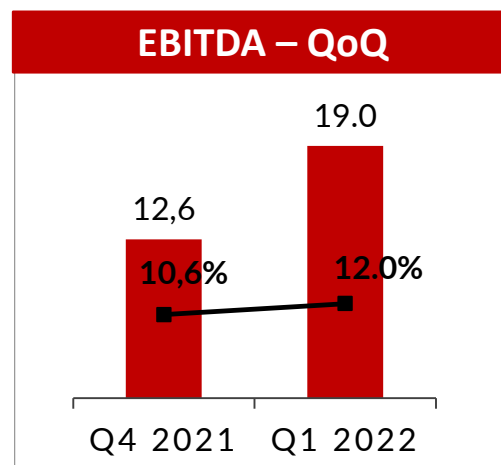
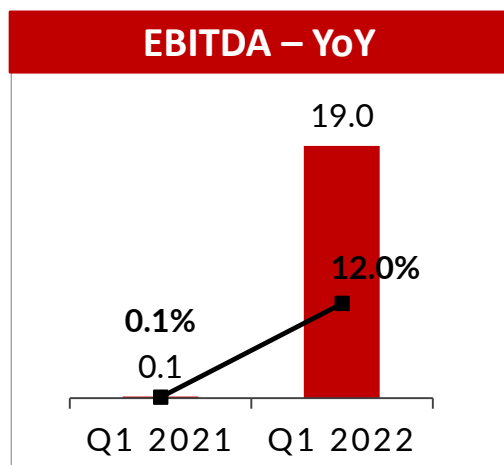
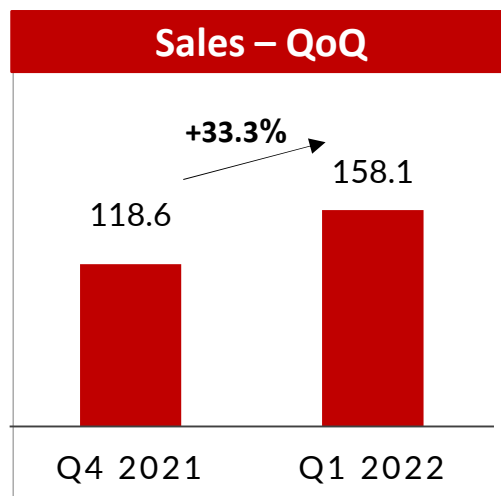
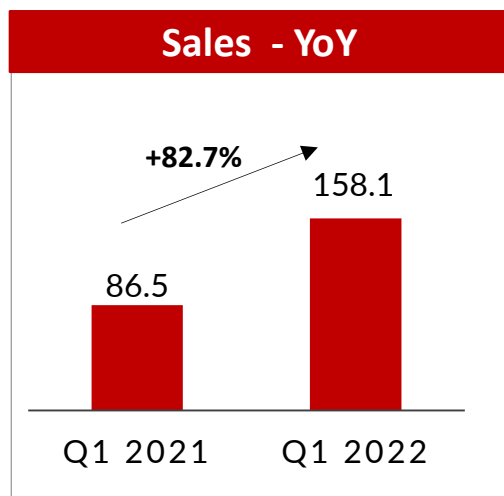


Main financial figures

(€M)	Q1 2021	Q1 2022	% Var.	Q4 2021	% Var.
Sales	86.5	158.1	+82.7%	118.6	+33.3%
EBITDA	0.1	19.0	n.m.	12.6	+51.5%
EBITDA Margin	0.1%	12.0%		10.6%	
EBIT	-12.6	7.4	n.m.	0.3	n.m.
EBIT Margin	neg.	4.7%		0.2%	
Net Profit	-16.4	3.4	n.m.	0.2	n.m.
Net Margin	neg.	2.1%		0.1%	
	Dec 21	March 22	Var. (€M)		
Working Capital	222.5	228.1	+5.6		
Working Capital / Sales	60.9%	52.2%			
Net Financial Debt	336.2	347.8	+11.6		
Net Financial Debt / EBITDA	19.2x	9.5x			
Structural Net Financial Debt⁽¹⁾	113.8	119.7	+6.0		

(1) Net Financial Debt – Working Capital

Key Figures of P&L

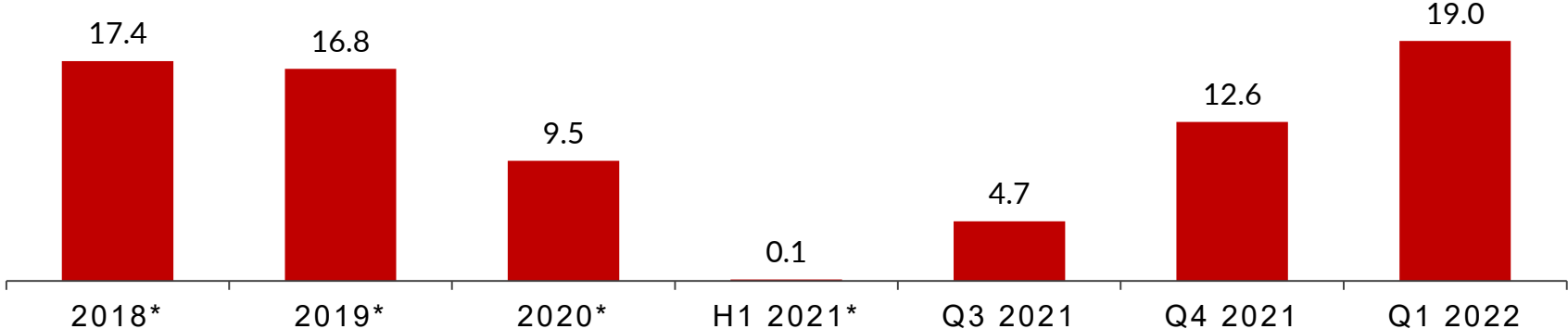


- Sales for the first quarter of the year have amounted to €158.1M, far above those in the same quarter of 2021 and in the previous quarter
- The increase in the sales figure reflects the overall upward trend in demand for the Group's products and services
- The EBITDA for the quarter stands at €19M, the highest since 2019
- The margin has risen significantly to 12% thanks to the good mix and the cost adjustments implemented in recent years, which are partially offsetting the inflationary price environment, particularly in energy costs
- Over the coming quarters, it is expected that the improvement in sales and in margins will continue thanks to the price rises that are being implemented



Key Figures of P&L

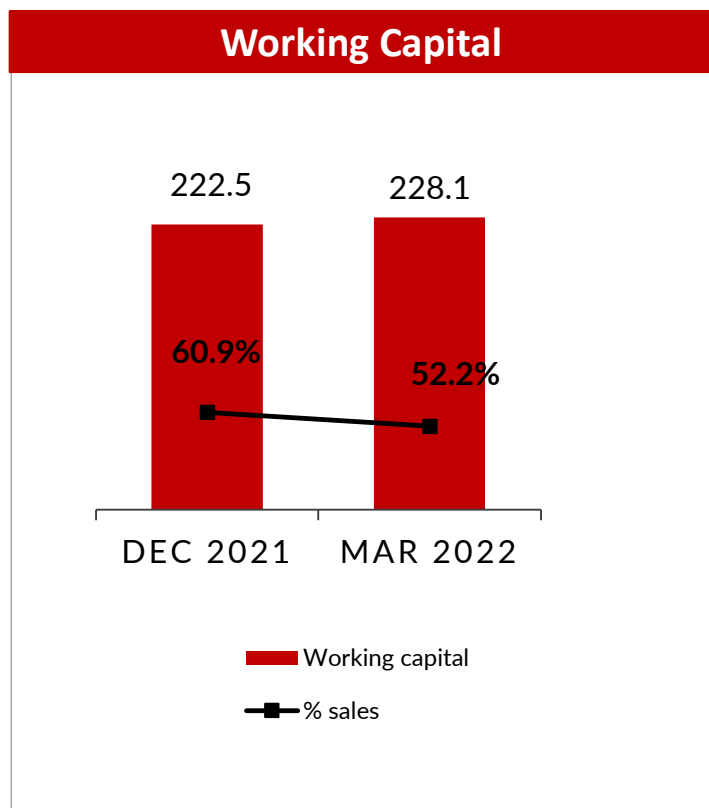
Average EBITDA evolution (€M)



*Quarterly average EBITDA in the relevant period

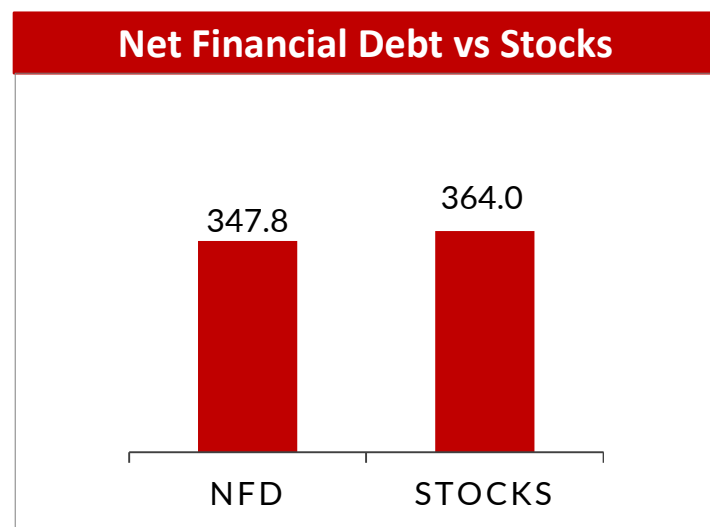
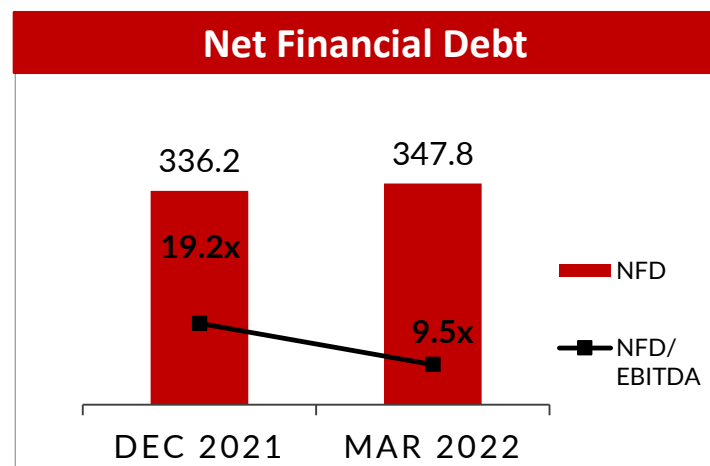
Trend in EBITDA shows that the lowest point was during H1 2021 and now TUBACEX is growing rapidly

Key Figures of Balance Sheet: Working Capital



- The working capital amounts to €228.1M, up €5.6M on the 2021 year-end
- Increase of €50.5M in inventory levels:
 - Extraordinary effort in inventories that will be regulated throughout the year. Objective: guarantee production and delivery times of the backlog in light of uncertainties in the supply chain
 - Increased cost of raw materials reflected in the increase in stock value
- The percentage over sales is improving, moving from 60.9% at the close of 2021 to 52.2%.
- This percentage is expected to continue falling until reaching a level of 30-35%.

Key Figures of Balance Sheet: Net Financial Debt



- Increase in the net financial debt related to the increase in working capital
- The net financial debt ratio over EBITDA has improved significantly, moving from 19.2x to 9.5x
 - This downward trend is expected to continue, and it will stand between 3 and 4x by the end of the year
- It should be emphasized that given the nature of the products offered, which are designed for specific projects, TUBACEX products are made to order. As a result, the net financial debt is closely linked to the working capital which is mostly already sold
- Proof of this is that the Stock figure is higher than that of Net Financial Debt
- The Group maintains strong liquidity, with approximately €150M

Revenues breakdown by sector

- The overall tendency in order intake is extremely positive in practically all sectors and geographical areas
- The backlog is in excess of €500M and major awards are expected in the short term that will significantly boost this figure
- Market recovery is general, but the Gas and Nuclear sectors stand out, boosted by the European Union's sustainable taxonomy
- High oil prices are leading to the relaunch of many projects in this segment



Industrial 42%



Others 19%



E&P Gas 18%



E&P Oil 15%



Powergen 6%

Commercial remarks

OCTG



- Western Africa, Australia, South-East Asia and Mexico are particularly relevant in Oil projects and the Persian Gulf and Middle East stand out to address the growing demand for gas
- Brazil is a strong demand hub with major orders from Petrobras
- Major projects with Exxon in Guyana

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
- Major awards for umbilicals are expected in the short term for important projects
- The acquisition of TSS Norway has proved to be a significant source of order intake for the supply of packages
- First orders have been received for high precision machined products from our NTS subsidiary

PowerGen



- Nuclear power is key as a sound complement to unstable generation through purely renewable means
- Significant order intake for special components in the nuclear segment
- The Group is gradually moving away from conventional coal projects

Commercial remarks

Oil&Gas



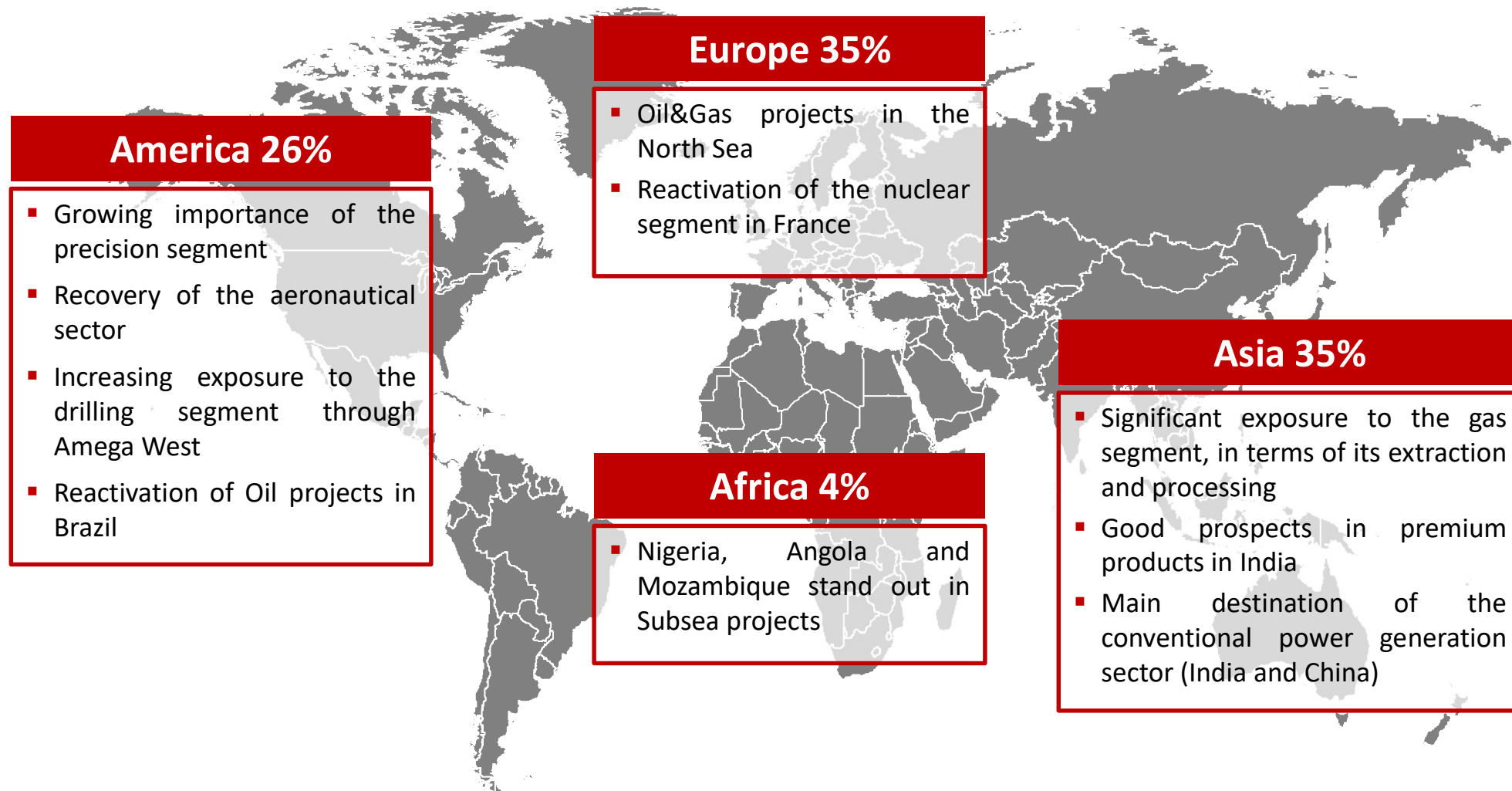
- Promising global prospects in the Midstream sector, from FPSO to major LNG projects
- Relaunch of major Downstream projects that have been at a standstill until now
- Excellent prospects in the special components sector for Oil&Gas drilling operations, particularly in the USA

Others



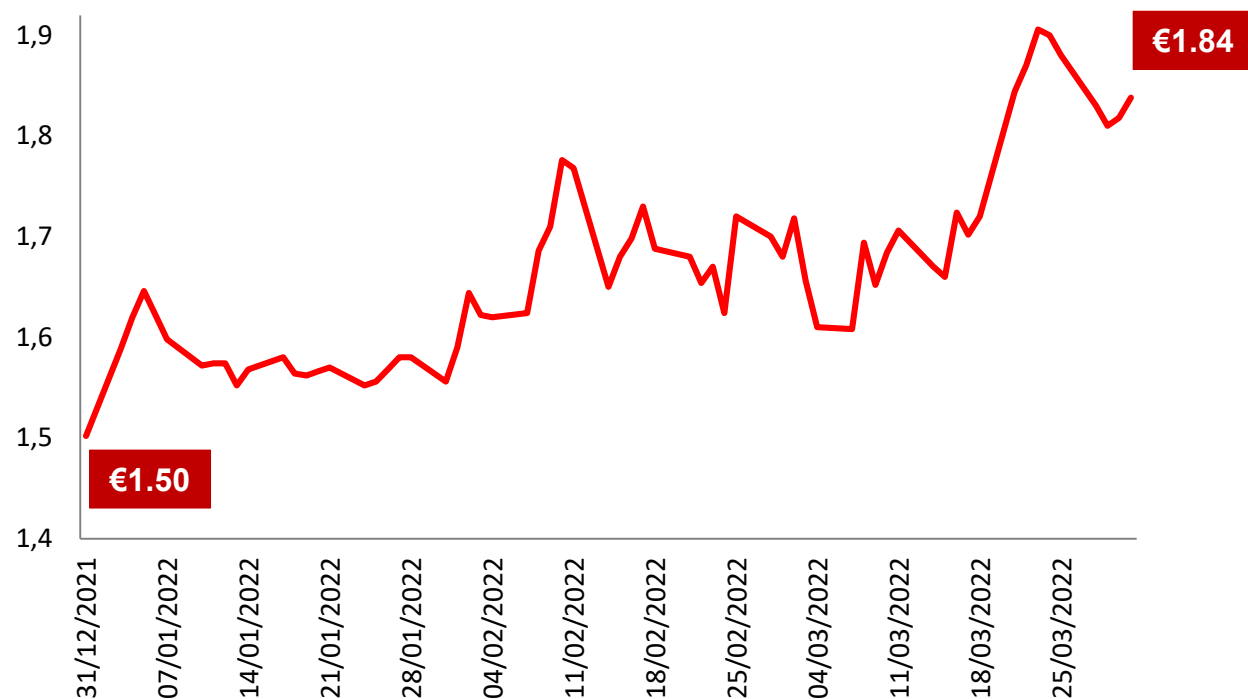
- A major activation of the fertilizer segment is expected in the medium term in view of the high prices of urea and ammonia as a result of the conflict between Russia and Ukraine
- Significant increase in awards in the instrumentation tube segment thanks to the frame agreements with the sector's key players
- Signing of an important project with one of the main companies worldwide in the aerospace segment
- First relevant orders for direct supply to automotive manufacturers have been received

Revenues breakdown by final destination



Stock Information

Tubacex stock evolution (€/share)



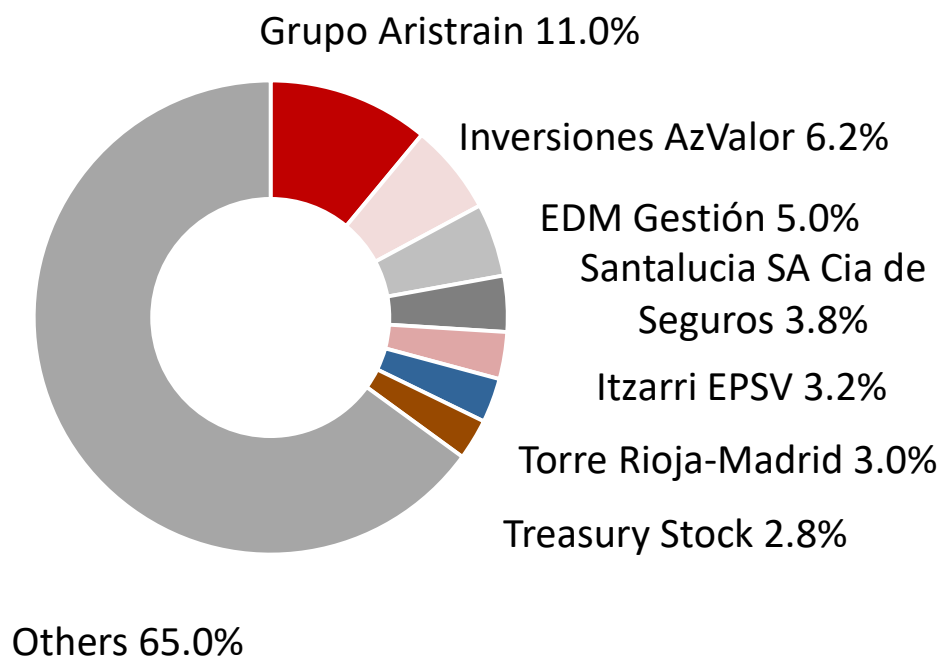
Key data	
# shares outstanding	128,978,782
€/share (03.31.22)	1.84€
Market Cap. (M€)	237.1€
% evolución YTD	+22.4%

Positive performance during the quarter

Source: Bolsas y Mercados

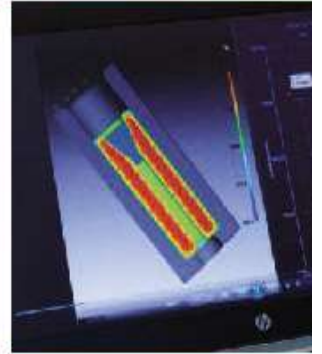
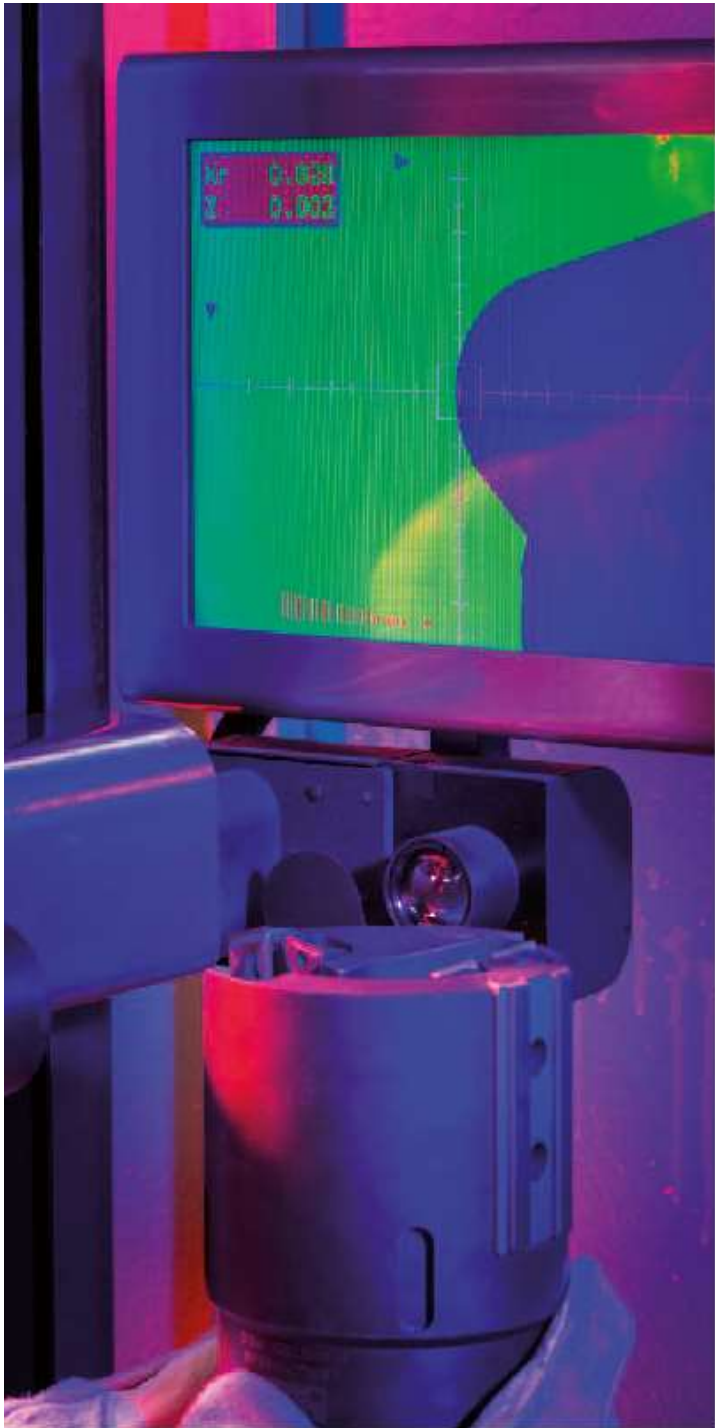
Stock Information

Shareholders Structure



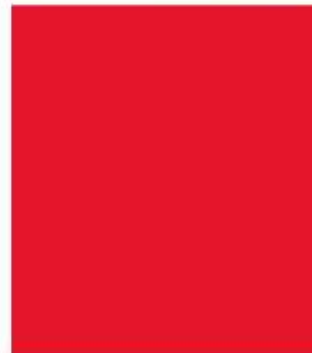
- During the first quarter of the year, Ecofin Ltd has notified the CNMV of its loss of its significant shareholder condition (which was reached in 2014)
- Furthermore, Santalucía has updated its stake, from 3.9% to 3.8%
- The variation in the treasury stock figure corresponds to the buyback program that began on 25th February to acquire shares up to a maximum of €5M in order to amortize them

Source: CNMV (Spanish Securities Exchange Commission)



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Appendix



Q1 2022 Results



Income Statement - Detail

(€ M)	Q1 2021	Q1 2022	change %	Q4 2021	Q1 2022	change %
Sales	86.5	158.1	82.7%	118.6	158.1	33.3%
Change in inventories	(5.7)	25.5	n.m.	(7.5)	25.5	n.m.
Other income	4.3	5.6	32.2%	3.6	5.6	56.0%
Cost of materials	(35.6)	(76.9)	115.8%	(39.0)	(76.9)	97.2%
Personnel expenses	(25.9)	(35.5)	36.7%	(31.3)	(35.5)	13.5%
Other operating costs	(23.4)	(57.8)	146.7%	(31.9)	(57.8)	81.2%
Negative goodwill	-	-		-	-	
EBITDA	0.1	19.0*	n.m.	12.6	19.0*	51.5%
<i>EBITDA Margin</i>	<i>0.1%</i>	<i>12.0%</i>		<i>10.6%</i>	<i>12.0%</i>	
Amortization	(12.6)	(11.7)	-7.7%	(12.3)	(11.7)	-5.1%
EBIT	(12.6)	7.4	n.m.	0.3	7.4	n.m.
<i>EBIT Margin</i>	<i>neg.</i>	<i>4.7%</i>		<i>neg.</i>	<i>4.7%</i>	
Financial Result	(3.2)	(5.1)*	57.7%	(2.9)	(5.1)*	75.5%
Exchange differences	0.1	0.2	55.7%	0.5	0.2	-56.2%
Profit Before Taxes	(15.7)	2.5	n.m.	(2.2)	2.5	n.m.
<i>Profit Before Taxes Margin</i>	<i>neg.</i>	<i>1.6%</i>		<i>-1.8%</i>	<i>1.6%</i>	
Net Income, Group Share	(16.4)	3.4	n.m.	0.2	3.4	n.m.
<i>Net Margin</i>	<i>neg.</i>	<i>2.1%</i>		<i>0.1%</i>	<i>neg.</i>	

n.m.: not meaningful

neg.:negative

*The results for Q1 2022 include an extraordinary and non-recurring provision for a net sum of €4M, of which €2.7M have been recorded as less operating income and €1.3M as increased financial expenditure for the quarter

Q1 2022 Results



Balance Sheet - Detail

(€ M)	2021-12-31	2022-03-31	%change
Intangible assets	114.1	114.3	0.2%
Tangible assets	278.1	273.9	1.5%
Financial assets	90.6	93.7	3.4%
Non-current assets	482.8	481.9	-0.2%
Inventories	313.5	364.0	16.1%
Receivables	60.2	86.1	43.1%
Other account receivables	24.7	34.5	39.7%
Other current assets	2.4	7.9	228.6%
Derivative financial instruments	0.2	0.1	-27.9%
Cash and equivalents	158.0	125.0	-20.9%
Current assets	559.0	617.7	10.5%
TOTAL ASSETS	1,041.8	1,099.6	5.5%

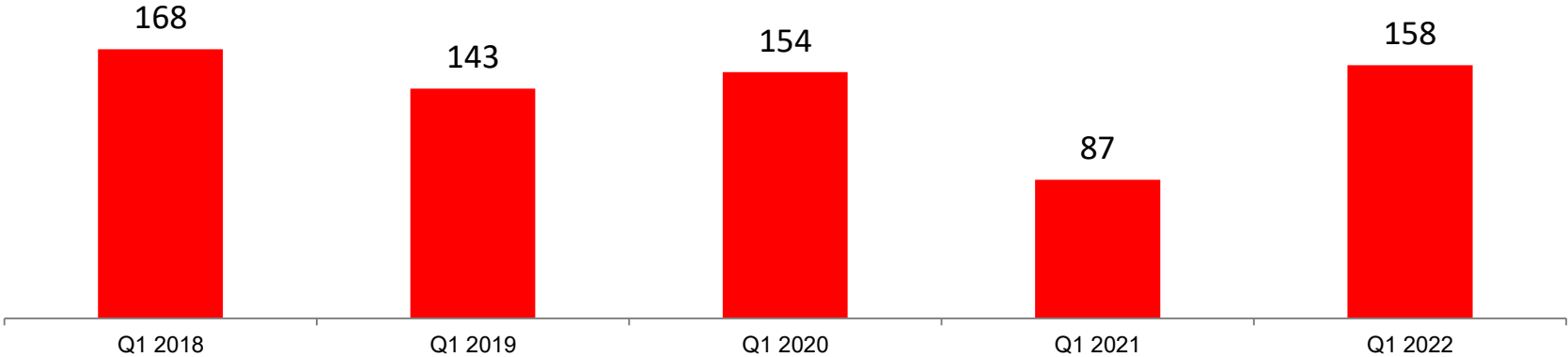
(€ M)	2021-12-31	2022-03-31	%change
Equity, Group Share	197.4	202.2	2.4%
Minority interests	51.8	51.1	-1.4%
Equity	249.2	253.3	1.6%
Interest-bearing debt	274.0	237.2	-13.5%
Derivative financial instruments	0.0	0.0	0.0%
Provisions and other	64.5	64.6	0.1%
Non-current liabilities	338.5	301.8	-10.9%
Interest-bearing debt	220.2	235.7	7.0%
Derivative financial instruments	1.6	0.7	-54.5%
Trade and other payables	151.2	222.0	46.8%
Other current liabilities	81.1	86.1	6.2%
Current liabilities	454.1	544.5	19.9%
TOTAL EQUITY AND LIABILITIES	1,041.8	1,099.6	5.5%

Q1 2022 Results

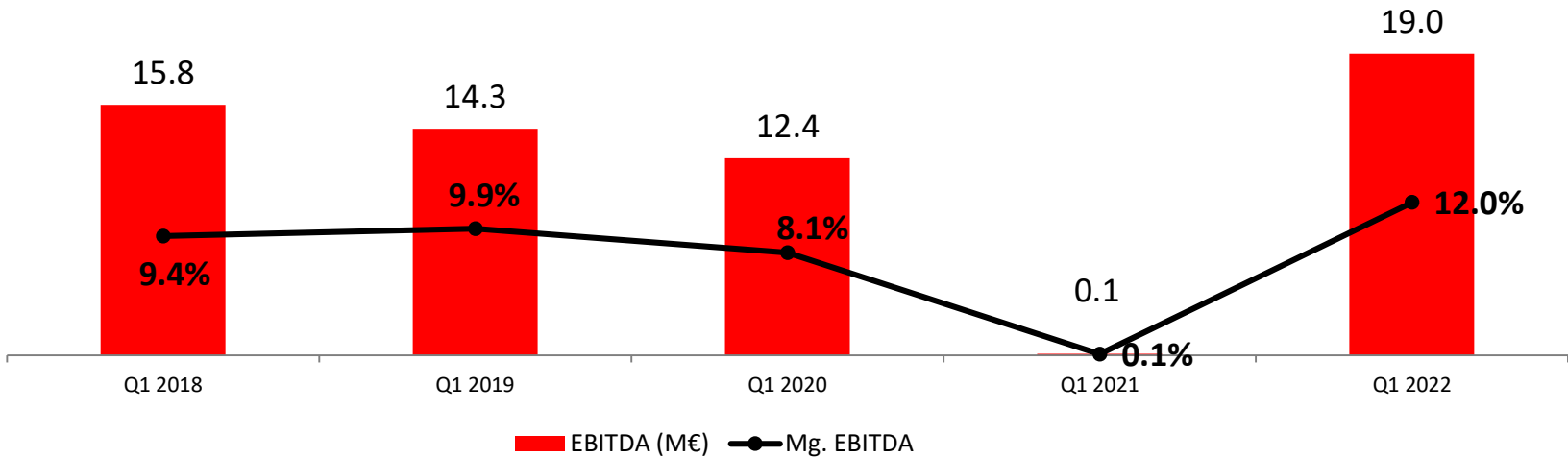


Historical quarterly evolution: Revenues & EBITDA

Revenues (€M)



EBITDA (€M)





THANK YOU!

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