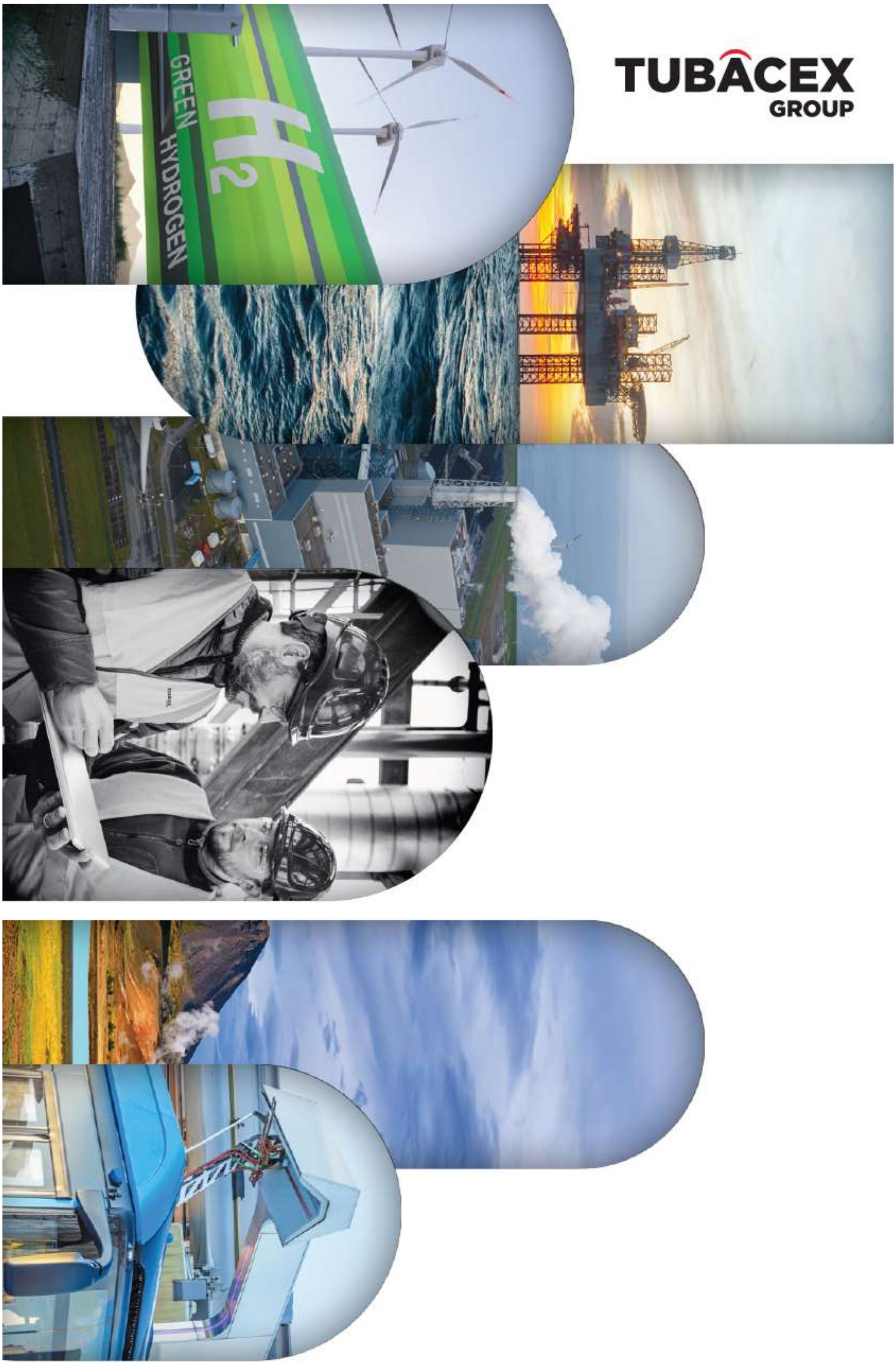
TUBACEX GROUP



First Half of the year

Results Release

July 2023

2023

Main Highlights

- Strong results for the first half of the year confirm the Group's good prospects
- We have had a very positive quarter in terms of sales and results
- Eighth consecutive quarter of improved results, with the highest ever quarterly EBITDA and margin figures
- In the first half of the year, the sales margins have continued to improve and have been consolidated at the target levels set out in the Strategic Plan (EBITDA margin of 14.8% and EBIT margin of 9.4%)
- The de-leveraging tendency has continued and the debt ratio has been reduced to 2.5x, which also fulfills the strategic target. The Company's liquidity exceeds €200 million
- Firm commitment to ESG principles that has led us to become a reference in our sector
- Significant growth in Low Carbon products, aligned with the energy transition, with clearly positive prospects for the carbon capture market
- High order intake to keep the backlog at record level of €1,650M and a book-to-bill ratio of 1x
- Order intake in line with turnover and with major projects currently under negotiation
- High backlog foresees a second half of the year in line with the first half and increases visibility for 2024

Robust results

The Backlog remains at historic levels

Significant growth in Low Carbon

Positive trend for the coming quarters

H1 2023 Results

Main financial figures

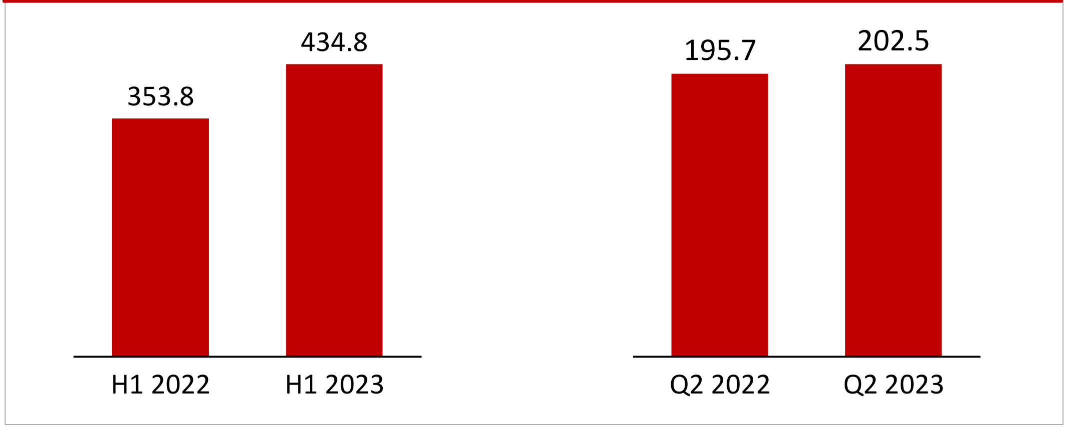
(€M)	H1 2022	H1 2023	% Var.	Q2 2022	Q2 2023	% Var.
Sales	353.8	434.8	22.9%	195.7	202.5	3.5%
EBITDA	42.5	64.3	51.4%	23.4	33.9	44.5%
EBITDA Margin	12.0%	14.8%		12.0%	16.7%	
EBIT	18.1	41.0	127.1%	10.7	22.3	108.8%
EBIT Margin	5.1%	9.4%		5.5%	11.0%	
Earnings Before Taxes	10.4	27.9	168.3%	7.9	15.2	91.1%
Margin	2.9%	6.4%		4.1%	7.5%	
Net Profit	9.1	20.0	119.3%	5.8	10.1	74.5%
Margin	2.6%	4.6%		2.9%	5.0%	

	Dec 22	June 23	Var. (€M)
Working Capital	230.0	235.1	+5.1
Working Capital / Sales	32.2%	29.5%	
Net Financial Debt	287.1	289.6	+2.5
Net Financial Debt / EBITDA	3.1x	2.5x	
Structural Net Financial Debt[1]	57.1	54.5	-2.6

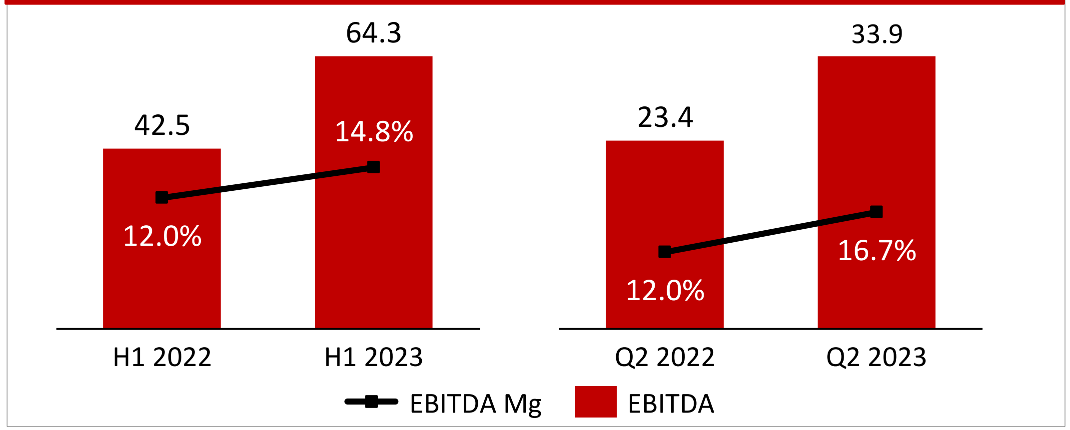
(1) Net Financial Debt – Working Capital

Main Figures from the Income Statement

Sales (€M)



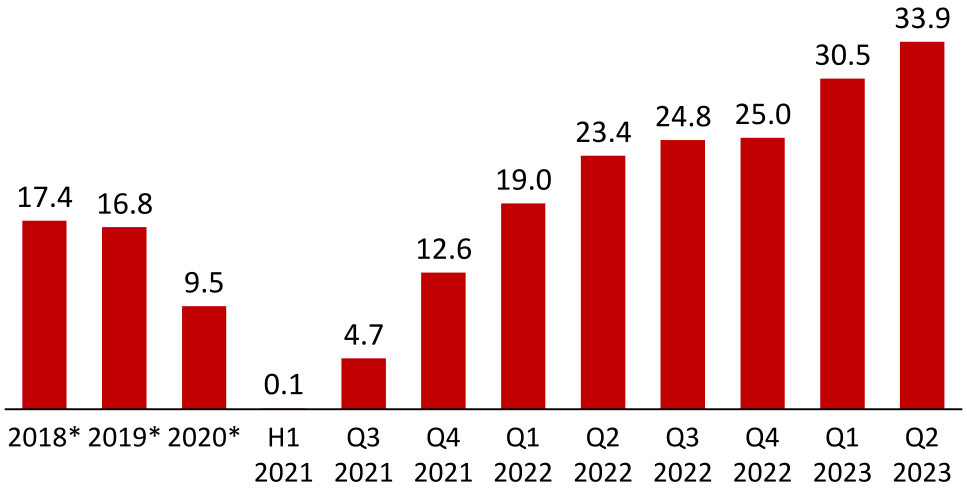
EBITDA (€M)



- Sales for the first half of the year have amounted to €434.8 million, the company's highest half yearly sales figure ever
- Sales growth of 22.9% with respect to the first half of 2022 reflects the success of the positioning strategy in high value-added products and solutions
- The accumulated EBITDA up to June stands at €64.3M with a margin of 14.8%, in line with the Group's strategic objective
- Furthermore, the EBITDA for the second quarter stands at €33.9 million and a margin of 16.7% which marks a new record for quarterly EBITDA and margin
- The good mix and cost adjustment efforts in recent years have offset the inflationary environment and enabled record figures to be reached
- All of the production units are positioned in the manufacture of the optimum product mix, with an appropriate cost consolidating the restructuring

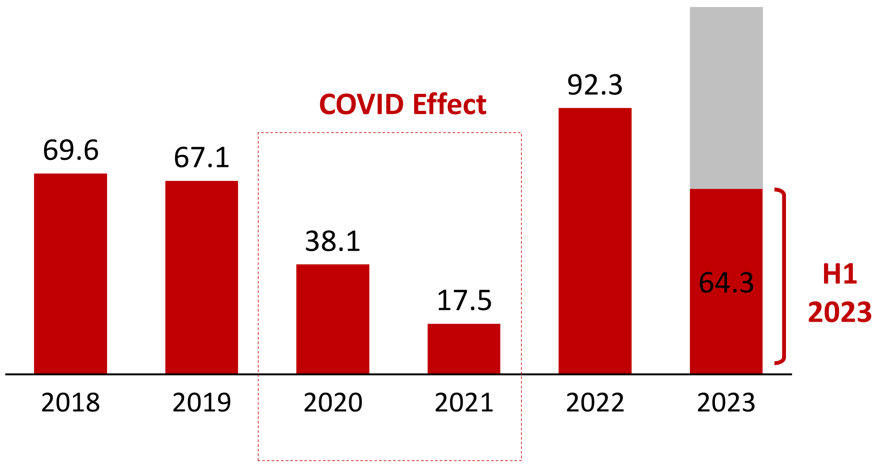
Main Figures from the Income Statement

Quarterly Average EBITDA evolution (€M)



*Quarterly average EBITDA in the relevant period

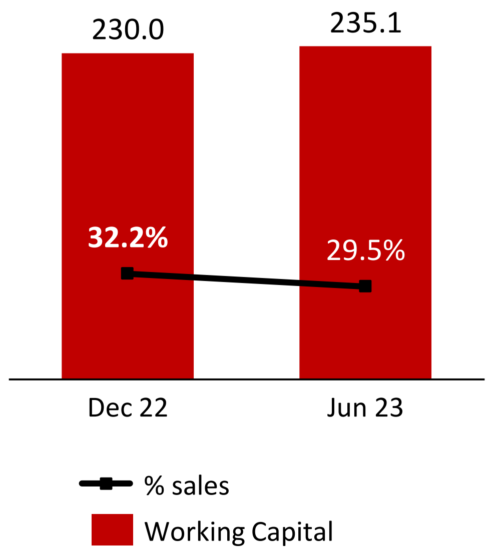
Annual EBITDA evolution (€M)



The market trend and the record level of the backlog confirm the positive outlook for 2023 and increase visibility for 2024

Main Figures from the Balance Sheet: Working Capital

Working Capital (M€)

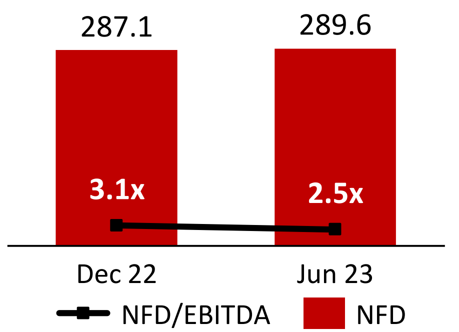


- The Working Capital stands at €235.1 million, up €5.1 million on the 2022 year-end figure, in a business situation with sales growth of 22.9%
- The inventory levels for the first half of the year have increased by €30.2 million with respect to the end of December, mostly representing high value-added finished product that has been sold but not yet invoiced
- The rise in inventory levels reflects:
  - The increase in the cost of raw materials and energy (passed on to the customer)
  - The increased stock value as a result of the premium product mix in manufacturing: value vs. volume strategy
- The percentage of working capital over sales fulfills the strategic objective of remaining below 30%

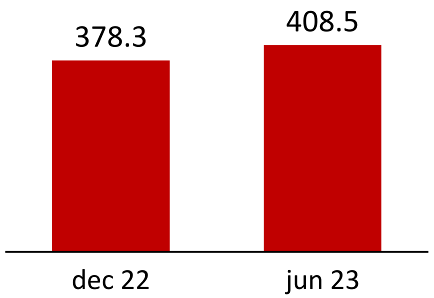
Working capital over sales at Strategic Plan target levels

Main Figures from the Balance Sheet: Net Financial Debt

Net Financial Debt (M€)



Stocks Evolution (M€)



- Part of the cash generated in the first half of the year was used for the purchase of the minority stake in Saudi Arabia, the acquisition in Norway, the start of investment in the Abu Dhabi plant and the payment of the dividend against 2022 results
- These non-recurring operations together with the company's Capex have led to a cash outflow of €30 million
- Despite these payments, the Company's strong cash generation can be seen by the fact that the net financial debt has remained at a similar level as the close of 2022
- The Net Financial Debt over EBITDA ratio has improved to 2.5x, which fulfills the strategic objective and the improvement trend is expected to continue in the coming quarters
- TUBACEX's made-to-order strategy means that the net financial debt is closely linked to the working capital, most of which has already been sold
- The Stock figure of €408.5 million corresponds mainly to finished products The Group's financial position is sound with €146.9M in cash and liquidity amounting to €204.9M
- TUBACEX has closed long term financing operations amounting to €30M throughout July

H1 2023 Results

Revenues breakdown

- Order intake remains at high levels, in line with turnover
- The macroeconomic environment and the rises in interest rates is causing a slowdown in the sale of low value-added products, as well as in certain segments of the North American market
- The Group’s sales are undergoing a significant increase in the Gas Upstream sector and the Asian and Middle East region, in line with the strategic objectives
- Order intake for premium products and long-term projects remains robust, with a book-to-bill ratio of over 1x

Breakdown by sector


Industrial 42%

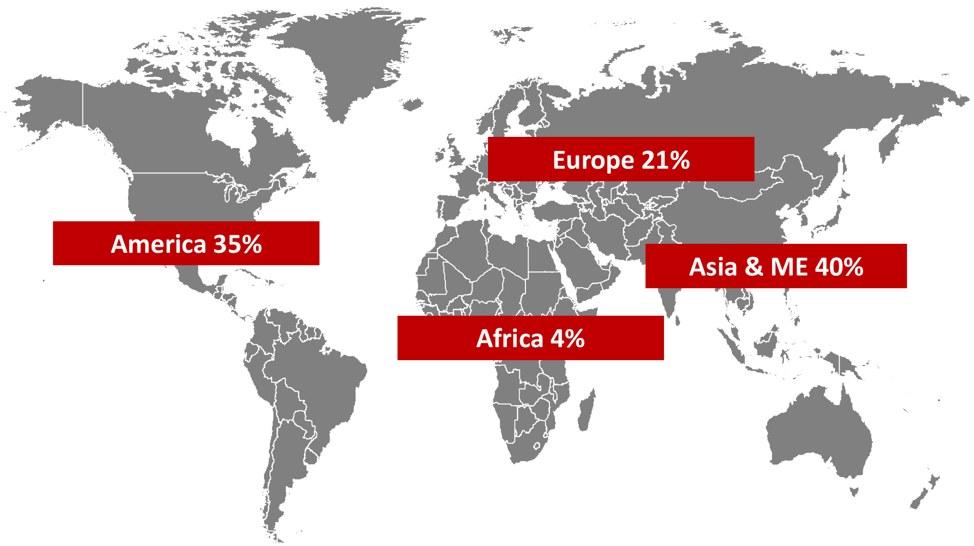

New businesses 16%


Powergen 8%


E&P Gas 19%

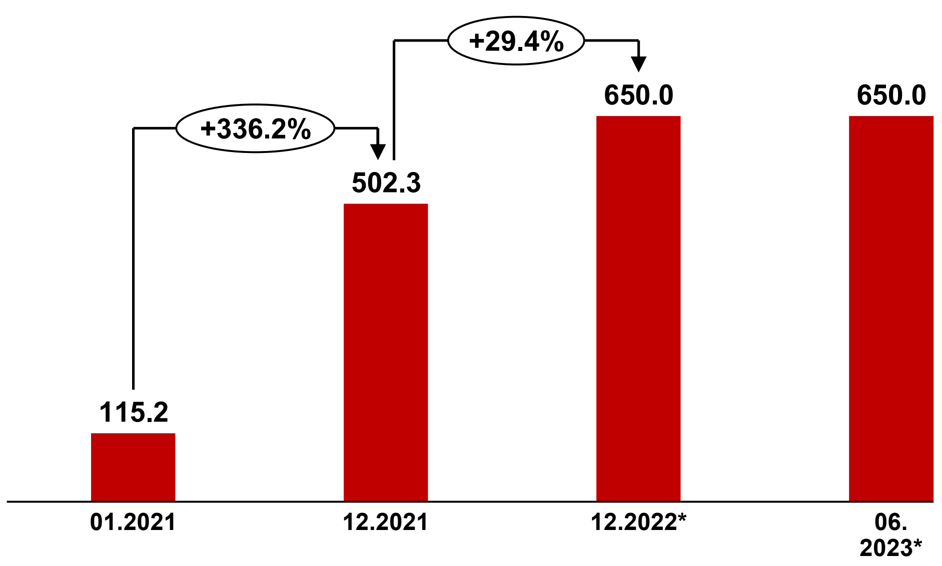

E&P Oil 15%

Breakdown by destination



Backlog Evolution

Backlog evolution



Book-to-bill ratio

H1 2023	1.0x

Total Backlog including ADNOC's project amounts to €1,650M

- Record invoicing with the order intake at the same level as the 2022 year-end
- Book-to-bill ratio for the first half of the year stands at 1x
- The current backlog situation points towards a second half of the year in line with the first half and increases visibility for 2024

Robust situation of the backlog

*Major OCTG order received from ADNOC is not included.

Commercial remarks (i)

E&P Oil&Gas

Upstream

- In OCTG we are continuing to execute strongly on the back of the order backlog for Brasil in 2023
- Continued positive outlook for high allow requirements in critical well environments in all major hubs with special mention for Middle East, Brazil and North Africa
- Demand for precision machining and drilling tools operations remains strong in all global locations and it is expected to continue this way at least during 2023 & 2024

Subsea

- Record backlog in umbilicals with work for more than 1 year
- The strategic agreements signed with leading umbilical manufacturers are providing excellent and structural results over time, enabling us to further increase our market share
- The Offshore sector continues its good prospects in the North Sea and a second wave of investment is expected in the second half of the year
- Framework agreements have been signed with some of the leading EPCs for Subsea elements, as well as for FPSO

Commercial remarks (ii)

Industrial

- Order intake for the lowest added value products have experienced a slowdown in recent months
    - Some projects are being re-evaluated due to growing macroeconomic uncertainty, high interest rates and because expectations of a strong recovery in China have not yet been seen
- This effect is not occurring in high value-added products, where order intake remains positive
- Highly active in LNG projects in the USA and the Caspian Sea

PowerGen

- Decoupling of the Group from conventional coal projects and reorientation towards the circular economy and energy transition
- During Q2 the Group was awarded two projects of *Ulta super Critical (USC)* technology in China to replace the existent inefficient power plants for new more efficient units emitting less greenhouse gases
- Positioning with EDF as a long-term strategic partner developing our value proposition for:
    - Maintenance and safety projects at its nuclear power plants (Opex)
    - Construction of 2 units in UK (Capex)
- Collaboration with several leading nuclear engineering companies in the design of critical forged components for the future reactors of SMR (Small Modular Reactor)

Commercial remarks (iii)

Low Carbon

- Improvement in the process of identifying Low Carbon projects, with a new definition of taxonomy
- In the last months we have seen increased quoting activity for CCUS applications CCUS (Carbon Capture, Use and Storage) in USA, Asia and Australia
- The Group was awarded several projects for the construction of several Biomass plants in India which will recycle agro wastes for the generation of electricity
- Collaboration with several engineering companies in the design of solutions for Hydrogen market

New businesses

- Activity in the **aerospace sector** remains at very high levels, with increasing demand for Tubacex products in the **space exploration and commercial aviation sectors**, which is reflected in high levels of order intake
    - Furthermore, several R&D agreements have been secured with Tier 1 companies in key areas for the sector
- **The H&I (Hydraulics and Instrumentation) segment** maintains the positive trend set in 2022 thanks to agreements with Tier 1 partners
    - Slight slowdown in demand in the semiconductor market
    - Positive outlook in the coiled tube segment
- Project for a plant in the USA belonging to one of the world's leading nitrogen **fertilizer** manufacturers

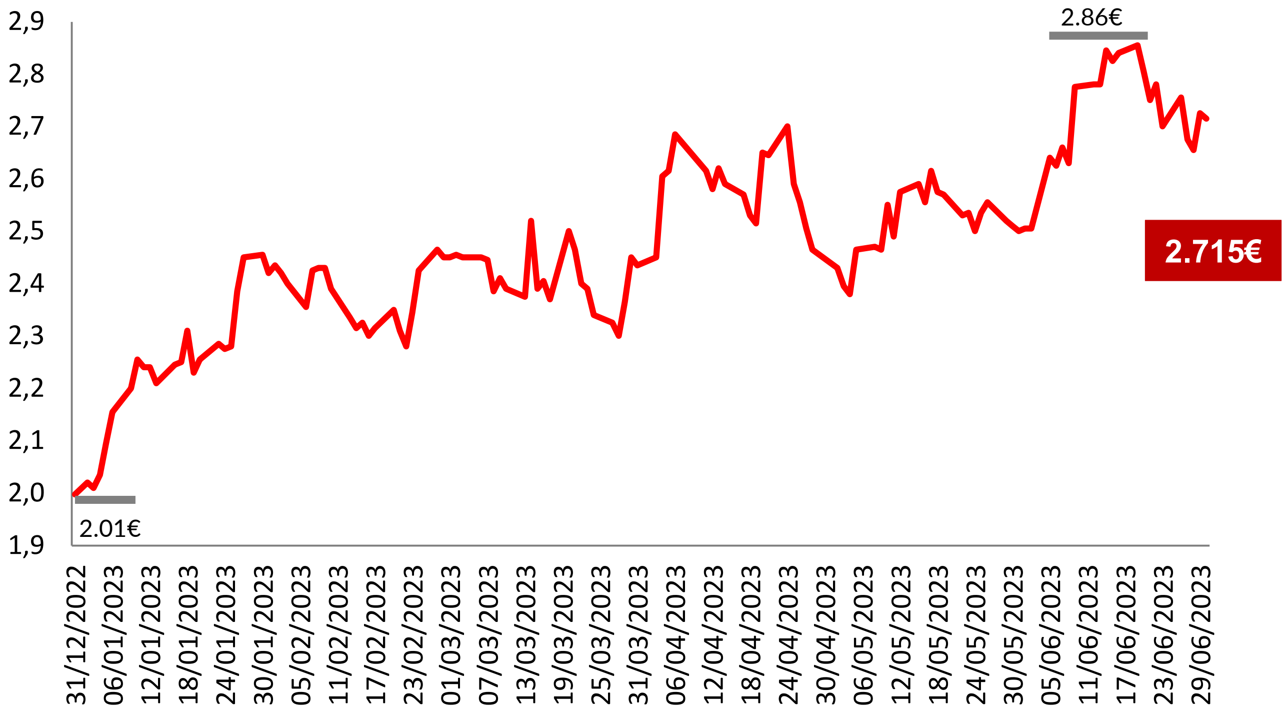
Main ESG KPIs

Category	Subcategory	Indicator	Unit	2019*	H1 2023	Goal 2030
Environment	Energy & Climate	Energy intensity[1]	Mwh/ GAV	2.58	**1.38**	2.13
	Energy & Climate	Scope 1 + 2 Emissions intensity[2]	tonCO2 /GAV	0.70	**0.22**	0.28
	Energy & Climate	% Renewable Energy	% of total energy	0.0%	**33.5%**	40.0%
	Circular Economy	Waste recycled	% Total generated	60.5%	**87,3%**	95.0%
Sustainable Value Chain	Supply Chain	% of suppliers evaluated on ESG factors	%	0.0%	**90.0%**	99.0%
People	Diversity	Gender pay Gap	ratio	11.5%	**12.0%**	10.1%
	Professional develop.	Training delivered per employee	Hours/fte	13.7	**14.3**	15.0
	Health & Safety	Lost Time Injury Frequency Rate [LTIFR] Evolution	2019 basis	100.0	**42.6**	25.0
	Health & Safety	Severity rate Evolution	2019 basis	100.0	**87.5**	25.0

*2020 and 2021 are not considered as representative years due to Covid-19 and strike in some sites
1. Group companies intensities weight by energy use
2. Group companies intensities weight by emissions
GAV: Gross Added Value (€k)

Stock Information

Tubacex stock evolution (€/share)



Key data	
# shares outstanding	128,978,782
€/share (06.30.23)	2.715€
Market Cap (€M)	350.2€M
% evolution YTD	+35.9%
Max.	€2.855 (June 19th)
Min.	€2.01(January 3rd)
Average Target Price[1]	€3.93

Extremely positive share performance with significant growth potential according to the market consensus

Source: Stock Exchanges and Markets
1) Average target price on 30th June according to the market consensus

Conclusions

- The results for the first half of the year **are exceeding all of our expectations** in terms of the results improvement rate and gross cash generation
- TUBACEX **is ahead of schedule in the fulfillment of most of its strategic objectives for 2025,** in terms of results, debt ratio and working capital
- Strategic commitment to **sustainability** and the **energy transition**
- Order intake remains at high levels, enabling the **backlog to remain at record levels**
- The current backlog enables us to foresee a **record 2023 in terms of sales and EBITDA with growing visibility for 2024**
- The Group **will update its strategic objectives** in the second half of the year

H1 2023 Results: Relevant Facts (i)

Shareholders' General Meeting

- Tubacex held its Shareholders' General Meeting on 24th May, having already fulfilled part of the financial objectives in the first year of the Strategic Plan
- Given the early fulfillment of these objectives, Tubacex has announced that it will review them in the second half of the year
- Thanks to its Strategic Plan, Tubacex will become a supplier of sophisticated industrial products and high value-added services for the energy and mobility sectors
- It also approved the distribution of a gross dividend of €8.1 M, which represents a pay-out of 40%, which was paid out on 7th June

H1 2023 Results: Relevant Facts (ii)

Signing of the land concession for the plant in Abu Dhabi

- Tubacex will build a tube finishing and threading plant in Abu Dhabi within the framework of the Abu Dhabi Energy Company (ADNOC) contract signed in 2022
- Tubacex signed the concession of the land in the integrated economic and industrial center of Abu Dhabi that will house its production facilities for OCTG-CRA solutions on 12th June with Khalifa Economic Zones Abu Dhabi - KEZAD Group
- The signing ceremony was attended by the Minister of Industry and CEO of ADNOC, Dr. Sultan Ahmed Al Jaber, along with Abdullah Al Hameli, CEO Economic Zones & Free Zones Cluster and Captain Mohamed Al Shamisi (MD & CEO AD Ports Group), among other authorities
- The new plant, which will be operational by the end of 2024, will be built on a plot spanning 50,000 square meters and will be the first of its kind in the Middle East
- This new plant will ensure the reliable supply of critical components to support ADNOC's expansion of natural gas production, while strengthening Tubacex's position and commitment to the Middle East, a strategic region in the global energy transition

TUBACEX GROUP

Appendix

Appendix H1 2023 Results

Income Statement - Detail

(€ M)	H1 2022	H1 2023	change %	Q2 2022	Q2 2023	change %
Sales	353,8	434,8	22,9%	195,7	202,5	3,5%
Change in inventories	43,0	37,6	-12,5%	17,5	24,5	40,2%
Other income	9,2	7,8	-14,5%	3,5	4,1	15,5%
Cost of materials	(171,8)	(210,1)	22,3%	(94,9)	(96,4)	1,6%
Personnel expenses	(73,2)	(82,8)	13,1%	(37,7)	(42,5)	12,5%
Other operating costs	(118,4)	(123,0)	3,8%	(60,7)	(58,4)	-3,7%
EBITDA	**42,5**	**64,3**	51,4%	**23,4**	**33,9**	44,5%
EBITDA Margin	*12,0%*	*14,8%*		*12,0%*	*16,7%*	
Amortization	(24,4)	(23,3)	-4,6%	(12,8)	(11,6)	-9,3%
EBIT	**18,1**	**41,0**	127,1%	**10,7**	**22,3**	108,8%
EBIT Margin	*5,1%*	*9,4%*		*5,5%*	*11,0%*	
Financial Result and FX	(7,6)	(13,1)	71,1%	(2,7)	(7,1)	160,1%
Profit Before Taxes	**10,4**	**27,9**	168,3%	**7,9**	**15,2**	91,1%
Profit Before Taxes Margin	*2,9%*	*6,4%*		*4,1%*	*7,5%*	
Income taxes	(0,8)	(4,0)	416,3%	(1,8)	(2,8)	61,8%
Consolidated Net Income	**9,6**	**23,9**	148,2%	**6,2**	**12,3**	99,5%
Minority interests	(0,5)	(3,9)		(0,4)	(2,3)	436,9%
Net Income, Group Share	**9,1**	**20,0**	119,3%	**5,8**	**10,1**	74,5%
Net Margin	*2,6%*	*4,6%*		*2,9%*	*5,0%*	

Balance Sheet - Detail

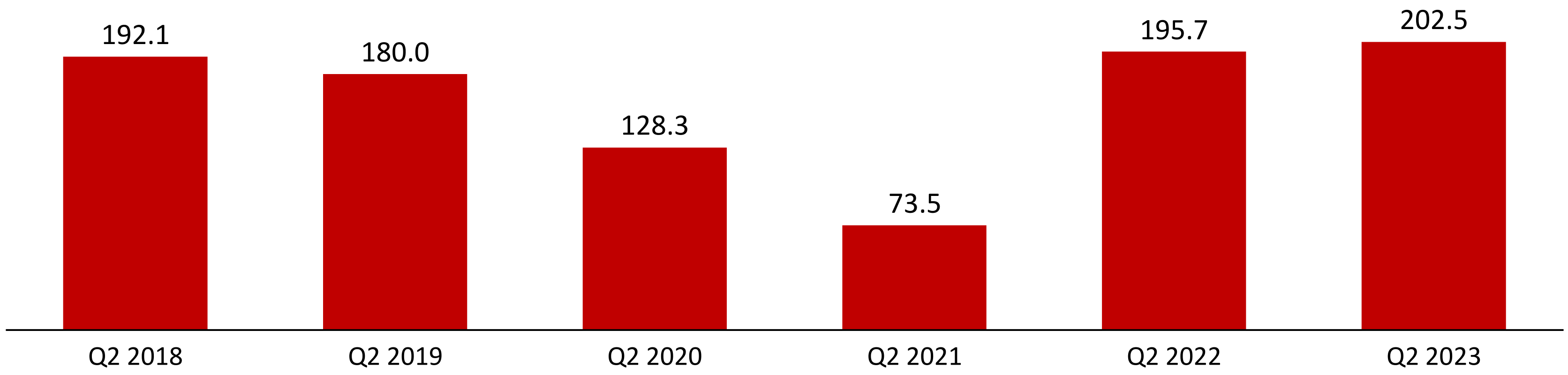
(€ M)	31/12/2022	30/06/2023	%change
Intangible assets	114,4	110,2	-3,7%
Tangible assets	266,8	274,9	3,0%
Financial assets	100,3	99,4	-0,9%
Non-current assets	**481,5**	**484,4**	**0,6%**
Inventories	378,3	408,5	8,0%
Receivables	89,2	86,0	-3,6%
Other account receivables	25,6	34,3	33,9%
Other current assets	6,9	8,2	18,9%
Derivative financial instruments	2,8	4,2	48,5%
Cash and equivalents	175,4	146,9	-16,2%
Current assets	**678,3**	**688,1**	**1,4%**
TOTAL ASSETS	**1.159,8**	**1.172,5**	**1,1%**

(€ M)	31/12/2022	30/06/2023	%change
Equity, Group Share	221,5	228,2	3,0%
Minority interests	54,6	53,7	-1,7%
Equity	**276,1**	**281,8**	**2,1%**
Interest-bearing debt	169,0	93,8	-44,5%
Derivative financial instruments	-	-	n.a.
Provisions and other	71,7	81,9	14,2%
Non-current liabilities	**240,7**	**175,7**	**-27,0%**
Interest-bearing debt	293,5	342,7	16,7%
Derivative financial instruments	3,8	1,8	-52,7%
Trade and other payables	237,6	259,4	9,2%
Other current liabilities	108,1	111,1	2,7%
Current liabilities	**643,0**	**715,0**	11,2%
TOTAL EQUITY AND LIABILITIES	**1.159,8**	**1.172,5**	**1,1%**

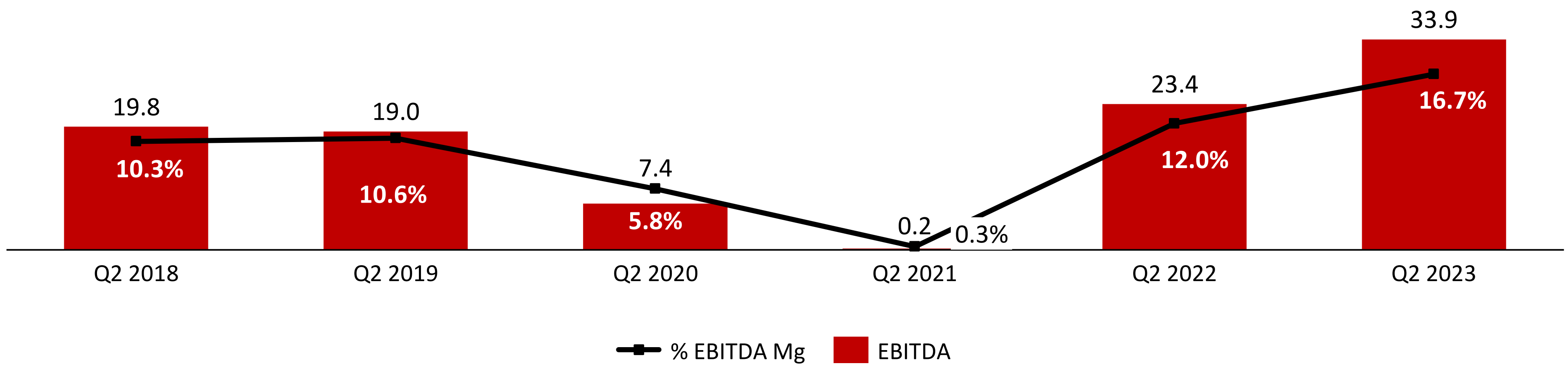
Appendix H1 2023 Results

Historical quarterly evolution: Revenues & EBITDA

Revenues (€M)



EBITDA (€M)



Alternative Performance Measures

- Tubacex presents its results in accordance with the generally accepted accounting principles (IFRS). Furthermore, this report provides other non-IFRS financial measures, called Alternative Performance Measures (APM), which are used by management to assess the Company's performance. The definition, reconciliation and explanation of the main Alternative Performance Measures used in this report are set out below:

- EBIT (Earnings Before Interest and Taxes): Tubacex presents the calculation of EBIT in its Income Statement as the operating profit before interest and taxes

- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): Tubacex presents the calculation of EBITDA in its Income Statement as the difference between the net turnover and the operating costs excluding the provision for the amortization of fixed assets, impairment of non-current assets and results from the disposal of non-current assets

  - EBITDA = EBIT + Amortization + Provisions

  - EBITDA provides an analysis of the Group's operating profit before the payment of interest and taxes and it is generally used as an assessment metric by analysts, investors, rating agencies and other types of shareholders. It also provides an initial approximation to the cash generated by operating activities. Indeed, Tubacex uses EBITDA as a starting point for the calculation of the cash flow

- EBITDA MARGIN: Tubacex presents the calculation of the EBITDA margin as the ratio between the EBITDA and the sales figure. The EBITDA margin provides information on the Company's profitability in terms of its operating processes

- EBIT MARGIN: Tubacex presents the calculation of the EBIT margin as the ratio between the EBIT and the sales figure

- NET MARGIN: Tubacex presents the calculation of the Net margin as the ratio between the Net Profit and the sales figure

Alternative Performance Measures

- PROFIT BEFORE TAX MARGIN: Tubacex presents the calculation of the Profit before tax margin as the ratio between the Profit before tax and the sales figure
- NET FINANCIAL DEBT: Tubacex presents the calculation of Net Financial Debt as the difference between the gross financial debt and the cash and cash equivalents balance along with the balance for temporary financial investments on the assets side of the Balance Sheet. For this calculation, Gross Financial Debt is understood to be the sum of short-term and long-term debt with credit institutions and the bonds and other securities in the liabilities on the Balance Sheet. Net Financial Debt provides an initial approximation to the Company's debt position and its solvency and liquidity, by relating cash and cash equivalents to debt on the liability side. Based on Net Financial Debt, commonly used metrics are calculated, such as the Net Financial Debt /EBITDA debt ratio, an indicator that is widely used in the capital markets to compare different companies that is calculated by dividing the Net Financial Debt by the EBITDA
- WORKING CAPITAL: Tubacex presents the calculation of Working Capital as the sum of the Inventories and Customers entries on the Balance Sheet less the trade creditors entry
- WORKING CAPITAL OVER SALES: Tubacex presents the calculation of Working Capital over sales as the ratio between the working capital and the sales figure
- STRUCTURAL NET FINANCIAL DEBT: Tubacex presents the calculation of Structural Net Financial Debt as the difference between Net Financial Debt less Working Capital. It provides a view of the Company's structural debt as the Working Capital is sold given that the manufacturing strategy is mainly to order
- BOOK-TO-BILL RATIO: Tubacex calculates the Book-to-Bill ratio as the relationship between order intake for the period and invoicing for the same period. The result of this ratio provides information on the strength of demand

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Thank you