

GENERAL SHAREHOLDERS' MEETING

JUNE 2024

TUBACEX
GROUP

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1. **2023 Results**
2. **Strategic Plan**
3. **Outlook for 2024**
4. **Stock Market**

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1. 2023 Results

MAIN CONSIDERATIONS

CONSOLIDATION OF THE GROWTH TREND

- **Sales Figure of €852.4M and EBITDA of €125.2M** are the highest ever for TUBACEX
- The **EBITDA margin** continues to improve, setting an annual record at **14.7%**
- The de-leveraging tendency has continued, and the **debt ratio stands at 2.2x** and liquidity is in excess of €300M
- Consolidation of tendency towards **diversification** of sectors: Nuclear Energy and Low Carbon
- High level of order intake with **backlog** at €1,600M
- Launch of the **new Strategic Plan** after the early fulfillment of the strategic objectives announced for 2025
- Results have been obtained in a macroeconomic and geopolitical environment of great uncertainty
- Tubacex Group plays a key role not only in the **energy transition**, but also in securing energy supply
- The Board of Directors has proposed the distribution of a **gross dividend of €14.5M**, which represents a **pay-out of 40%**



ROBUST RESULTS



BACKLOG REMAINS AT HISTORIC LEVELS



GROWING IMPORTANCE OF LOW CARBON SOLUTIONS



EARLY FULFILLMENT OF THE STRATEGIC OBJECTIVES



**RECORD RESULTS IN SALES,
EBITDA AND MARGIN**

MAIN FINANCIAL FIGURES

(€M)	FY 2022	FY 2023	% Var.
Sales	714.7	852.4	19.3%
EBITDA	92.3	125.2	35.6%
EBITDA Margin	12.9%	14.7%	
EBIT	44.5	80.7	81.6%
EBIT Margin	6.2%	9.5%	
Earnings Before Taxes	26.9	49.6	84.5%
Margin	3.8%	5.8%	
Net Profit	20.2	36.3	79.5%
Net Margin	2.8%	4.3%	

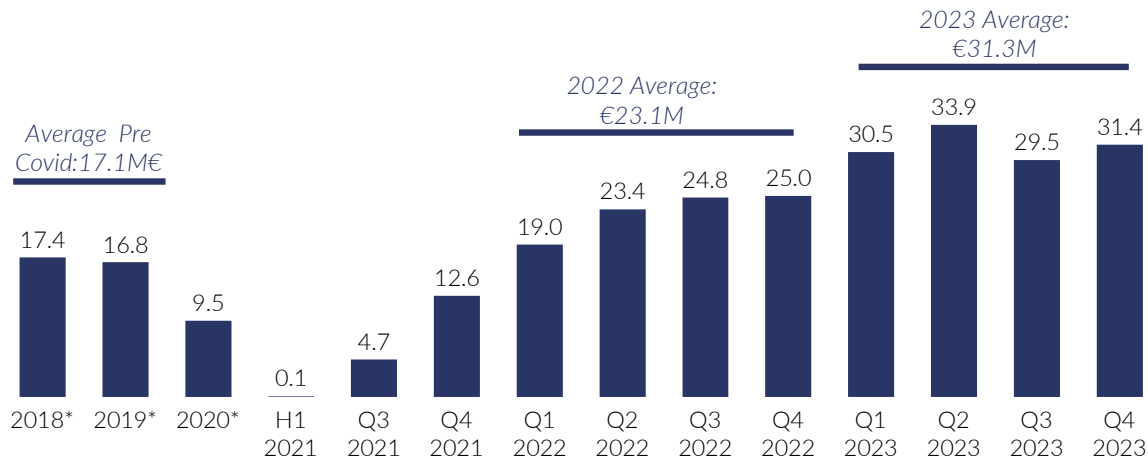
	Dec. 22	Dec. 23	Var. (M€)
Working Capital	230.0	234.5	+4.5
Working Capital / Sales	32.2%	27.5%	
Net Financial Debt	287.1	280.7	-6.4
Net Financial Debt / EBITDA	3.1x	2.2x	
Structural Net Financial Debt ⁽¹⁾	57.1	46.2	-10.9

(1) Net Financial Debt - Working Capital

- ✓ Even with a significant fall in raw materials, the **good positioning** with strategic customers and the **product mix** have led to a major increase in sales and the Group's structural profitability
- ✓ Consolidation of the EBITDA margin in **strategic objective levels**
- ✓ All of the Group's business units have consolidated reductions in structural costs and are **focused on added value rather than production volume**
- ✓ Part of the cash generated throughout the year has been used for the purchase of the minority stake in Saudi Arabia, the acquisition of a stake in Norway, the start of investment in the Abu Dhabi plant and the payment of the dividend against 2022 results
- ✓ These operations together with the company's CapEx have led to a **cash outflow of more than €55M**
- ✓ The **Net Financial Debt over EBITDA** continues improving and stands at **2.2x**

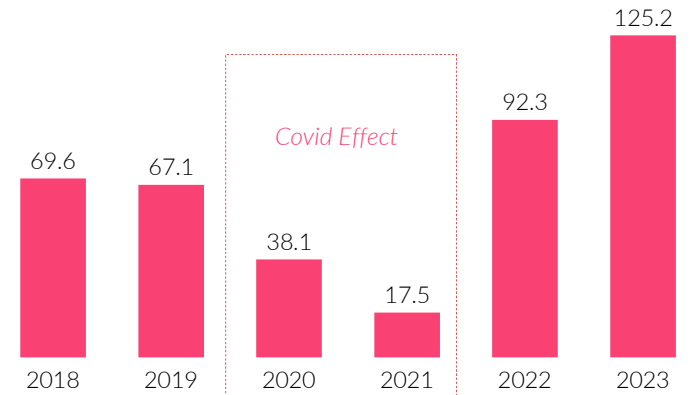
MAIN FIGURES FROM THE **INCOME STATEMENT**

Quarterly EBITDA Evolution (€M)



*Quarterly average EBITDA in the relevant period

Annual EBITDA Evolution (€M)



THE GOOD MARKET MOMENT AND GOOD POSITIONING WITH STRATEGIC CUSTOMERS HAVE ENABLED THE GROWTH OF THE **EBITDA TO BE CONSOLIDATED TO RECORD LEVELS**

ANTICIPATING OUR SUSTAINABILITY TARGETS AHEAD OF EXPECTATIONS



	Subcategory	Unit	2019*	Goal status: 2023 (vs. 2019*)	GOAL 2030
ENERGY & CLIMATE	Energy intensity ⁽¹⁾	Mwh/ GAV	2.58		2.13 1.40
	Scope 1 + 2 emissions intensity ⁽²⁾	Ton CO ₂ / GAV	0.70		0.28 0.22
	% Renewable energy	% of total energy	0%		40% 33.7%
CIRCULAR ECONOMY	Waste recycle	% total generated	60.5%		95% 82.2
SUPPLY CHAIN	% of suppliers evaluated on ESG factors	%	0%		99% 85.5
DIVERSITY	Gender pay Gap	Ratio	11,5		10.1 10.6
PROFESSIONAL DEVELOP	Training delivered per employee	Hours /FTE	13.7		15 14.4
HEALTH & SAFETY	Lost Time Injury Frequency Rate (LTIFR) evolution	2009 basis	100		25 36.7
	Severity rate evolution	2009 basis	100		25 76.6

FULFILMENT

>100%

>100%

84%

87%

86%

64%

96%

84%

31%

*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)

MAIN HIGHLIGHTS OF THE YEAR



RECORD RESULTS

- Record breaking results with €852.4M revenues and €125.2M (14.7% margin)
- Backlog at historic levels: €1.6Bn




STRATEGIC PLAN UPDATE

- Early achievement of the 2022- 2025 Strategic Plan, two years ahead of schedule
- Strategic Update 2024-2027 NT2: New Tubacex, Next Transition



LOW CARBON BUSINESS UNIT

- Decarbonization plan to meet the emission reduction targets
- Sustainable solutions offered to clients to reduce their emissions
- Low Carbon business unit creation (€100M invoicing goal in 2027)



ABU DHABI PLANT

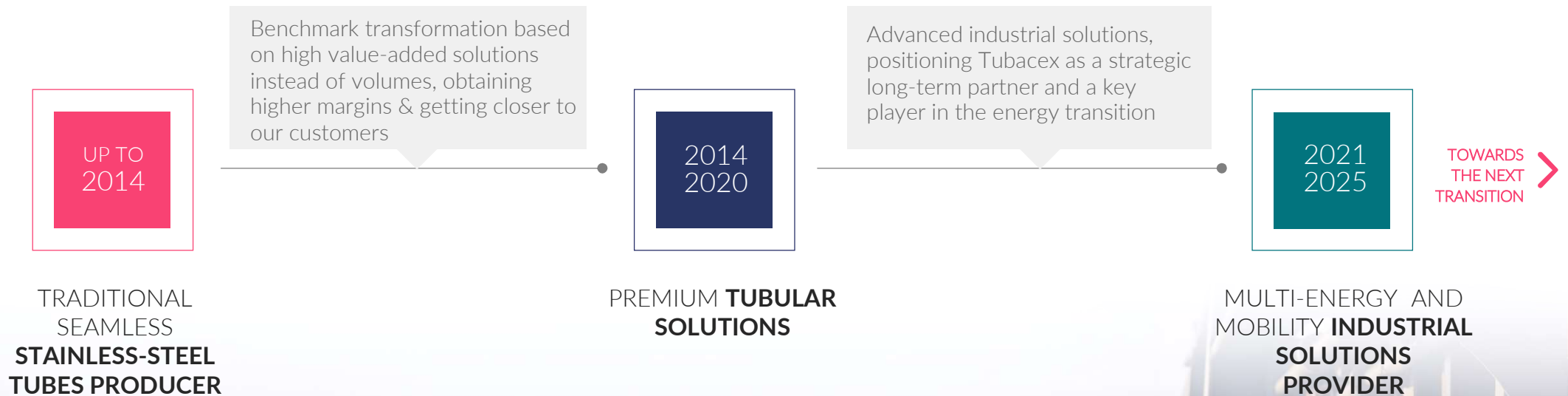
- Beginning of construction of Abu Dabhi plant
- First plant of its kind in the region
- It will be operational by the end of 2024 and will employ 150 people

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2. Strategic Plan

SINCE OUR ESTABLISHMENT IN 1963, **WE HAVE CONTINUALLY EVOLVED**

HAND IN HAND WITH OUR CUSTOMERS AND THE SOCIETY



PROACTIVELY ANTICIPATING MARKET TRENDS,
POSITIONING OURSELVES AHEAD OF THE CURVE

SUCCESSFUL EVOLUTION MARKET REPOSITIONING

STRATEGIC PLAN 2014-2020

Marketing repositioning

Relevant investment in industrial installations and **R&D** to develop new products

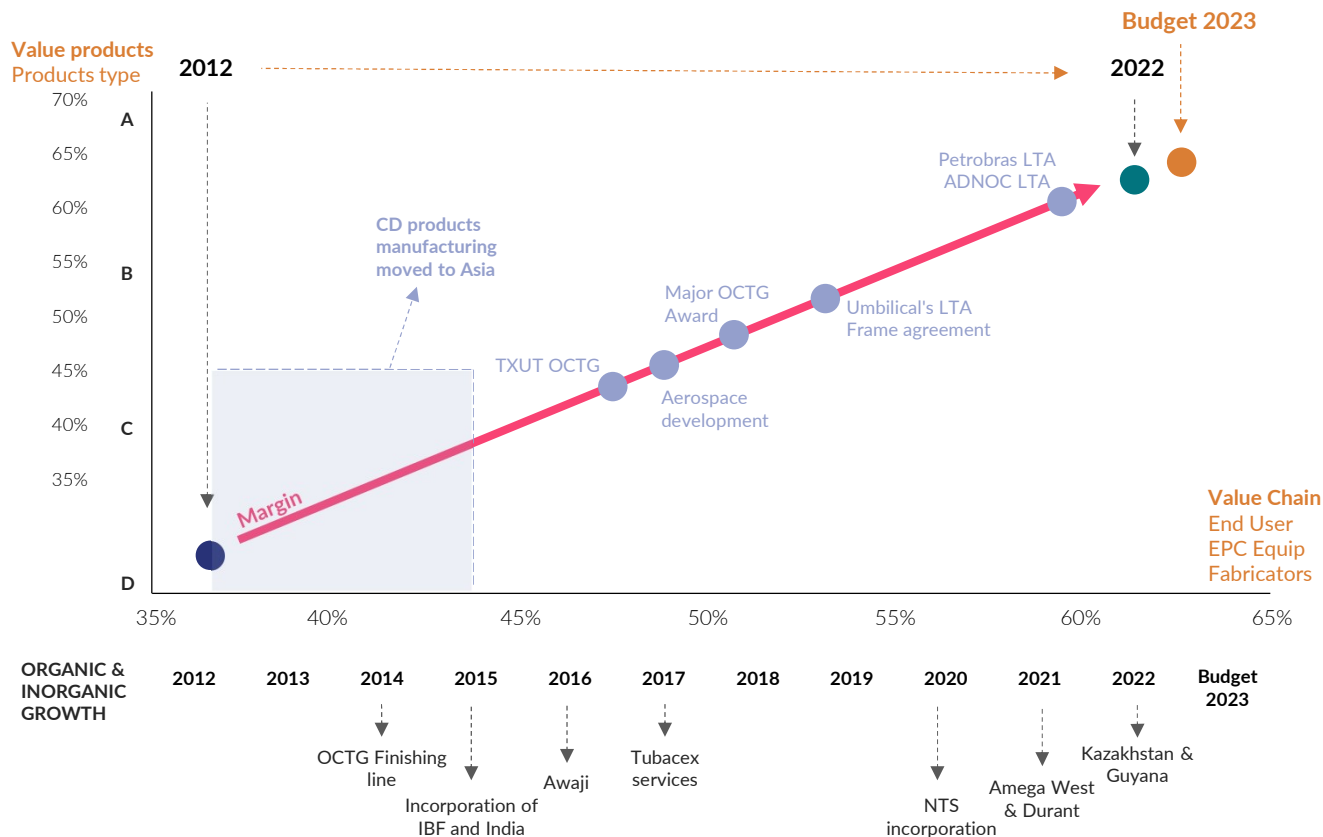
Integration of new companies in Asia to reposition our lower value-added products by selling through our **new sales channel** (TSS – 12 service centers)

Acquisition of companies with complementary products to complete the **full range portfolio** (6 acquisitions)

Different value proposition to the market focusing on **value added services**

Place and homologation of **new products and new customers**

Important yearly evolution increasing **market share in premium products**



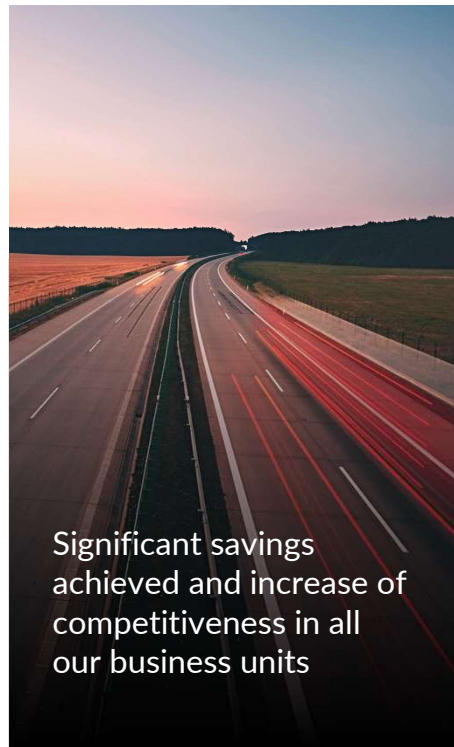
THREE CLEARLY **DIFFERENTIATED** PHASES



2030 VISION

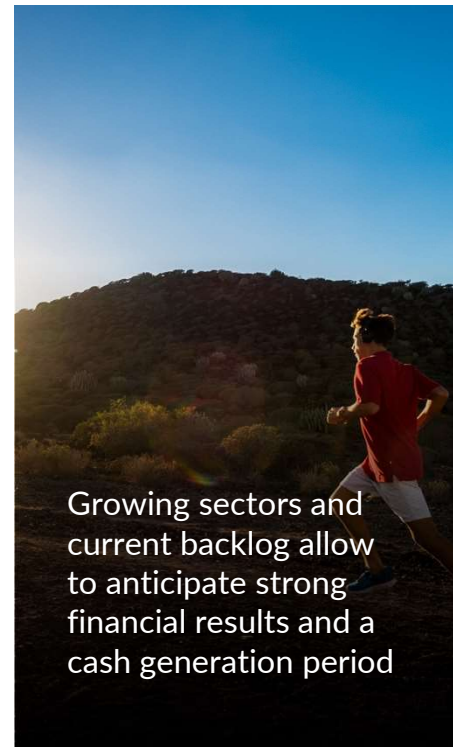
HIGH VALUE
SOPHISTICATED
SOLUTIONS PROVIDER
FOR ENERGY AND
MOBILITY

Phase 0: 2020-2021 **RESTRUCTURING & PREPARING**



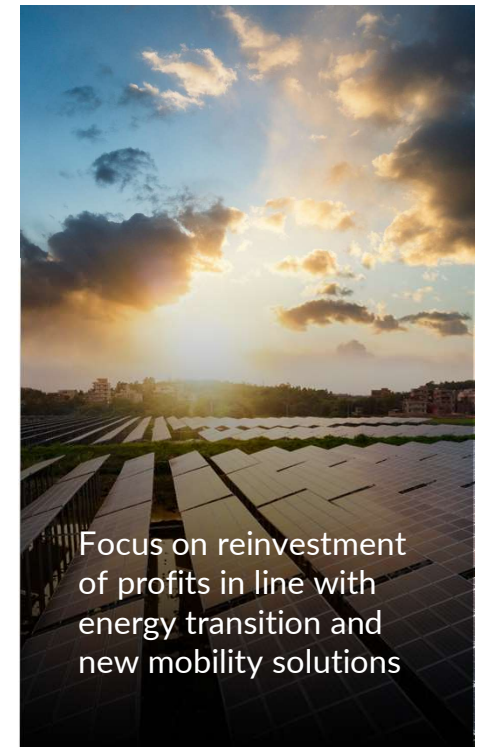
Significant savings
achieved and increase of
competitiveness in all
our business units

Phase 1: 2022-2025 **DELIVERING STABLE RESULTS AND CASH GENERATION**



Growing sectors and
current backlog allow
to anticipate strong
financial results and a
cash generation period

Phase 2: 2024-2025 **GROWTH & DIVERSIFICATION**



Focus on reinvestment
of profits in line with
energy transition and
new mobility solutions

WE HAVE ALREADY MADE **GREAT PROGRESS**



- **International recognitions** for our sustainability policies: CDP and S&P standards
- Successfully implemented **internal projects** to **reduce our carbon emission** and waste valorization
- R&D: continued to develop specific materials and solutions to **contribute to the decarbonization of our customers**

- Strict **CAPEX control**
- **Cash conversion** ratio >50%
- **Debt ratio** down to 2.2x despite organic growth
- Analyzing **potential divestments** or integrate **financial partners**

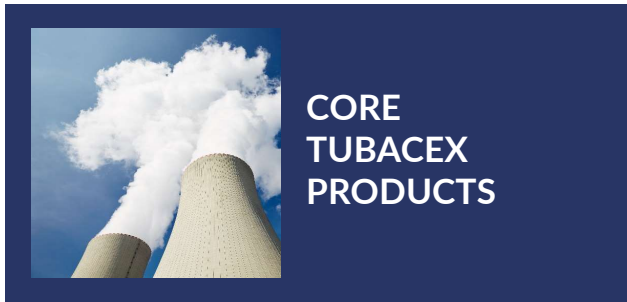
- Significant **growth** achieved in every business area
- Robust **financial results**
- Over **30 LTAs** and Frame Agreements signed
- **€1.6bn backlog** (historic levels)
- **Book-to-bill ratio of >1x**
- Raw Material and Energy **Hedging**

- +€30M in **fixed costs reduction** (2020-2021)
- **Inflation** costs successfully pass to our customers
- Effective **rightsizing** of the 24 companies in the group
- **EBITDA margins 13-15%**

- Significant growth in **Low Carbon business** (Carbon Capture & Hydrogen)
- Tailor-made solutions to reduce CO₂ emissions for industrial applications
- **Aeronautic and space exploration** market great development
- High expected growth in **nuclear**

BUSINESS LINES ALIGNED WITH SOCIETY'S DECARBONIZATION GOALS

A POWERFUL STRUCTURE FOR A NEW ERA



Supporting our customers in their decarbonization processes

Traditional

- Oil & Gas - E&P
- Industrial
- Precision and transportation
- Powergen

Diversification

- Aerospace
- Nuclear
- Health



Offering low carbon solutions for energy generation, storage and transport

- Projects focused on energy storage and transport, backed by CCS (Carbon Capture and Storage) and H₂ solutions
- Tailor-made solutions for low carbon segments and materials for hydrogen applications



Analyzing organic and inorganic growth in energy and mobility Sectors

- M&A
- Greenfield projects
- Complementary companies that allow us to boost our diversification process

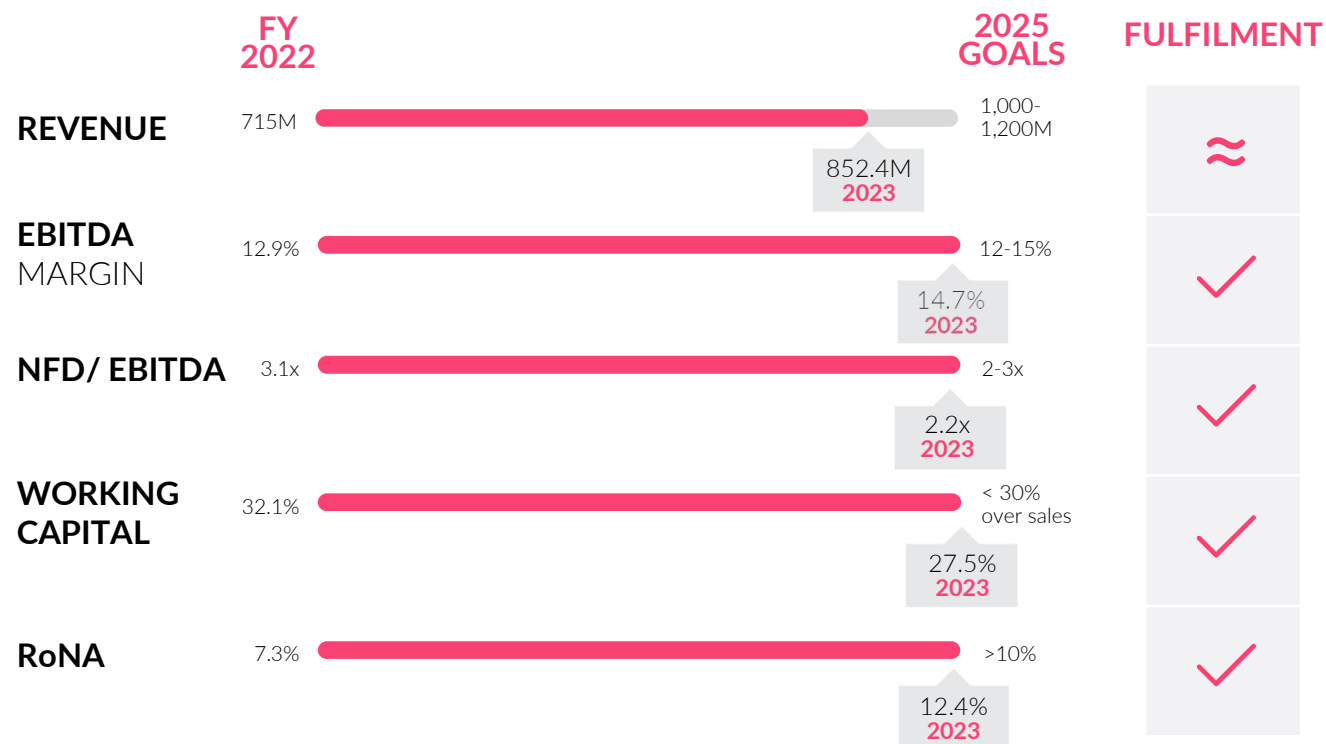
ANTICIPATING TWO YEARS THE ACCOMPLISHMENT OF THE MAIN OBJECTIVES

A SUCCESSFUL AND VISIONARY STRATEGY CONTRIBUTING TOWARDS A FRUITFUL RESULT

01
EXPANSIVE CYCLE
OF **TRADITIONAL
BUSINESS**

02
GROWTH ALIGNED
WITH **ENERGY
TRANSITION**

03
DIVERSIFICATION
THROUGH **NEW
BUSINESS**





TO LEAD THE NEXT TRANSITION

SIGNIFICANT UPSIDES

✓ ROOM FOR **MARKET SHARE INCREASE**

In certain products where we already hold a strong market position

✓ SUBSTANTIAL **GROWTH OPPORTUNITIES IN**



LOW CARBON
BUSINESS



NUCLEAR
PROJECTS



AERONAUTICS &
SPACE EXPLORATION



INDUSTRIAL
APPLICATIONS

✓ **DIVERSIFICATION THROUGH M&A**

✓ **FINANCIAL PARTNERSHIPS** TO SHARE NEW INVESTMENTS IN NEW SEGMENTS

✓ UNLOCKING THE VALUE OF **R&D DEVELOPMENTS**

COMMITTED TO MEETING
**EVEN MORE
AMBITIOUS
TARGETS**

NT² 2027 TARGETS

THE NEXT
TRANSITION



**REDUCE OIL &
GAS EXPOSURE**
TO 1/3 OF THE
BUSINESS

Prevailing Gas



**MARKET LEADERS
IN LOW CARBON
BUSINESS**



**TO BE A POINT OF
REFERENCE IN
SUSTAINABILITY**

THE NEW TUBACEX



REVENUE
€1,200-1,400M

*Including potential investment
in inorganic growth (M&A)*



EBITDA
>€200M

*Including potential investment
in inorganic growth (M&A)*



NFD / EBITDA
<2X

*Including potential investment in
inorganic growth (M&A)*

SHAREHOLDERS' REMUNERATION: 30-40% PAY-OUT

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3. Outlook for 2024

MAIN CONSIDERATIONS

FOUNDATIONS FOR GROWTH HAVE BEEN LAID

- **Activation and start-up of the Adnoc project** with the first order being placed
- The first quarter of 2024 closed with **sales of €186.5M, an EBITDA of €25M, and a margin of 13.4%**
- The results for this quarter affected by three key factors:
 - the downward trend in **nickel prices**
 - an **increase of €32.8M in inventories** corresponding to projects to be invoiced in the coming quarters
 - the **start-up** of certain Petrobras projects scheduled for the first half of the year but will come to fruition in the second half of the year
- Construction of the OCTG plant in **Abu Dhabi is on schedule**
- The **backlog** remains at €1.6 billion
- 2024 to be characterized by a **gradual improvement** in quarterly results
- **Strategic Agreement** signed with Mubadala Investment Partners



FIRST ORDER PLACED BY ADNOC



CONSTRUCTION OF NEW OCTG PLANT ON SCHEDULE



THE BACKLOG REMAINS AT HISTORIC LEVELS



POSITIVE EVOLUTION OF LOW CARBON SOLUTIONS



GROWTH IN RESULTS IN UPCOMING QUARTERS



ACTIVATION OF THE ADNOC PROJECT WITH THE FIRST ORDER BEING PLACED

MAIN FINANCIAL FIGURES

(€M)	Q1 2023	Q1 2024	% Var.
Sales	232.2	186.5	-19.7%
EBITDA	30.5	25.0	-18.0%
EBITDA Margin	13.1%	13.4%	
EBIT	18.7	13.5	-27.8%
EBIT Margin	8.1%	7.3%	
Earnings Before Taxes & Min	12.7	4.8	-62.1%
Margin	5.5%	2.6%	

	Dec. 23	Mar. 24	Var. (M€)
Working Capital	234.5	279.9	+45.4
Working Capital / Sales	27.5%	34.7%	
Net Financial Debt	280.7	364.1	+83.4
Net Financial Debt / EBITDA	2.2x	3.0x	
Structural Net Financial Debt ⁽¹⁾	46.2	84.2	+37.9

(1) Net Financial Debt – Working Capital



Sales and EBITDA figures below those reached in the same quarter of the previous year

- **Declining trend in nickel prices:** turnover of the most commodity products is being negatively affected
- Increase of €32.8M in **stocks** to be invoiced in the coming quarters
- **Start-up of certain Petrobras orders** scheduled for the first half of the year, will come into fruition in the second half of the year



Net financial debt includes investment in Abu Dhabi plant amounting to **€30.7M** and an increase of **€45.4M in working capital**



The net financial debt over EBITDA ratio amounted to 3x



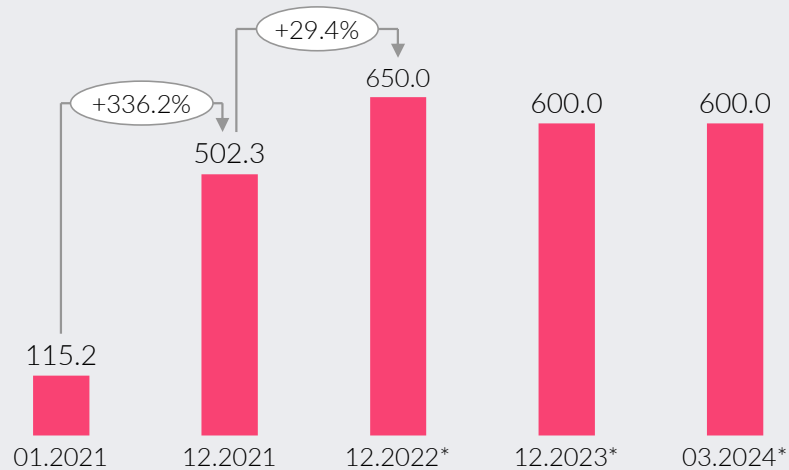
Regardless of the specific working capital or turnover position of each quarter, **the company maintains the same strategic objectives as the NT2 Plan 2023 - 2027:** namely to keep debt below 2x

BACKLOG EVOLUTION

ROBUST SITUATION OF THE BACKLOG

Backlog Evolution

€M



*Major OCTG order received from Adnoc is not included

Book-to-bill ratio

TOTAL BACKLOG INCLUDING
ADNOC'S PROJECT

1,600M€

Q1 2024 **>** 1.0x

- ✓ Backlog remains stable compared to the 2023 year-end
- ✓ This figure is concentrated in projects with high added value
- ✓ Book-to-bill ratio for the year is 1.0x, slightly higher than 0.94x at the close of 2023
- ✓ The current backlog situation raises visibility of the coming quarters in 2024 and points towards a year of gradual improvement in terms of results and margins in line with 2023

STRATEGIC AGREEMENT

TUBACEX BOOSTS ITS GROWTH WITH THE ENTRY OF MUBADALA IN ITS OCTG BUSINESS

SETTING UP OF A JOINT VENTURE IN WHICH TUBACEX HOLDS THE MAJORITY STAKE

The operation is structured as a Joint Venture in which TUBACEX holds 51% and Mubadala Investment Partners enters with 49%

STRUCTURAL CONSOLIDATION OF WORLD LEADERSHIP IN THE OCTG-CRA MARKET

With this operation, Tubacex consolidates its long-term leadership in the OCTG-CRA market worldwide, focused on tubular solutions for gas extraction

INCREASE IN SALES

The OCTG-CRA sector is one of the fastest growing worldwide. Tubacex foresees a significant increase of sales in this segment

STRATEGIC PARTNER

The incorporation of strategic partners that accelerate Tubacex's business and growth is one of the objectives of the NT² Strategic Plan

INCREASED STRATEGIC PRESENCE IN THE MIDDLE EAST

This alliance marks a before and after in TUBACEX's presence in the Middle East, the world's fastest growing market in this technology, particularly in the United Arab Emirates, where Tubacex is building a finishing and threading plant for the supply of a historic multi-annual project awarded by ADNOC (Abu Dhabi National Oil Company) for at least \$1Billion

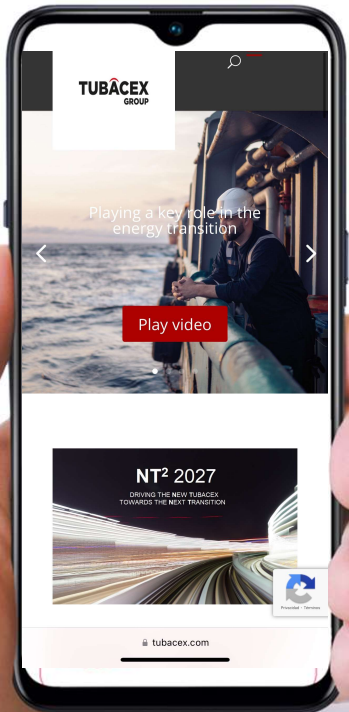
THE VALUE OF THE OPERATION AMOUNTS TO \$195 MILLION

With this operation, Tubacex enhances its Balance Sheet whilst enabling it to accelerate investments in the Low Carbon business and in all those diversification and growth opportunities that add value to the project



CONCLUSIONS

2024: A YEAR OF CONSOLIDATION



ACTIVATION OF THE ADNOC PROJECT

The first order has been placed by Adnoc, activating the project



NEW OCTG PLANT

Construction of the new OCTG finishing and threading plant is on schedule and will start testing in the fourth quarter of the year



LOW CARBON

The Low Carbon unit is on track and ready to take advantage of all business opportunities in transition energy



ORDER BACKLOG

Order intake maintains its upward trend with backlog expected to reach a record level by year-end



VISIBILITY

Results in line with 2023 with second half of the year above first half and order intake levels pointing to record results in 2025



OBJECTIVES 2027

The construction of the new OCTG plant, combined with exposure to highly complex global projects, provides a decisive base to meet strategic objectives



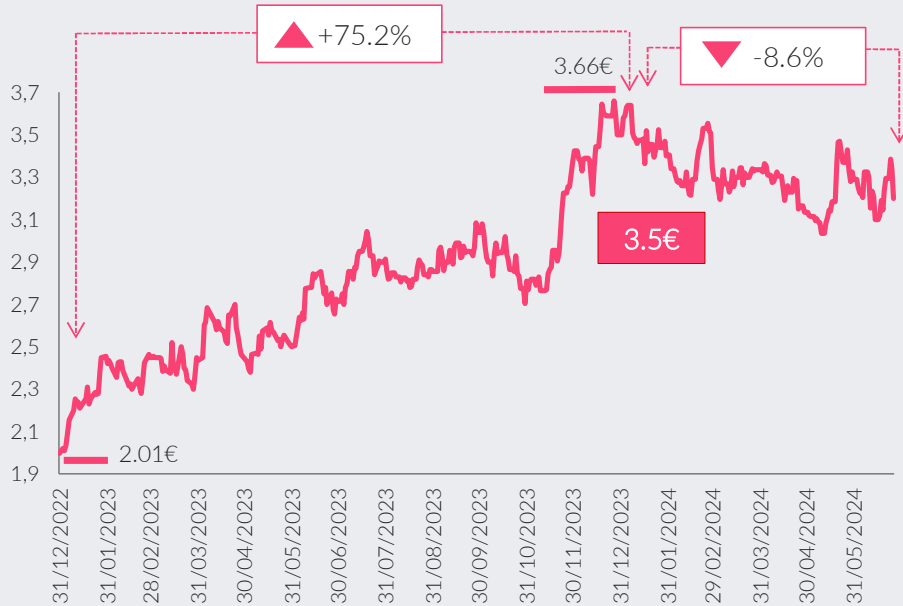
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4. Stock Market

STOCK INFORMATION

GROWTH POTENTIAL

Stock Evolution €/share



EXTREMELY POSITIVE SHARE PERFORMANCE WITH SIGNIFICANT
GROWTH POTENTIAL ACCORDING TO MARKET CONSENSUS



Key Data 2023

# shares outstanding	126,549,251
€/share (12.31.23)	3.50€
Market Cap. (M€)	442.9M€
% evolution	+75.2%
Maximun	3.66€ (Dec. 27)
Minimum	2.01€ (Jan. 3rd)
Average Target Price ⁽¹⁾	4.87€

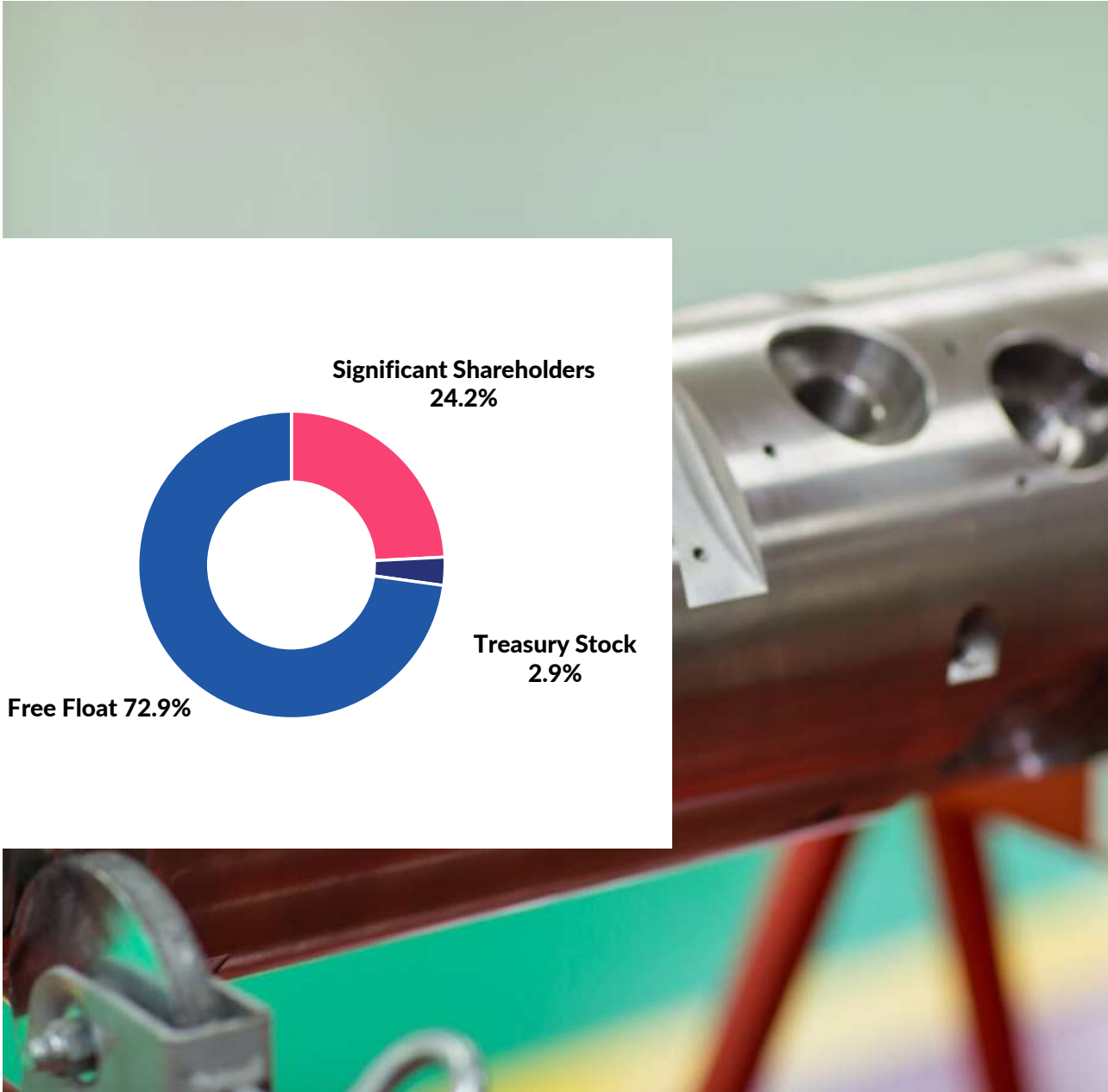
Source: Bolsas y Mercados

1) Average target Price on 26th June 2024 according to Market consensus

SHAREHOLDING STRUCTURE

SIGNIFICANT SHAREHOLDERS

Shareholder	% ownership
Grupo Aristrain	11.0%
Torre Rioja	5.0%
EDM	5.0%
Itzarri	3.2%
Treasury Stock	2.9%
Total	27.1%



The logo for TUBACEX GROUP is centered on a dark background. The word "TUBACEX" is written in a bold, white, sans-serif font. A small red arc is positioned above the letter "A". Below "TUBACEX", the word "GROUP" is written in a smaller, white, sans-serif font.

TUBACEX
GROUP