

FIRST QUARTER RESULTS 2024

TUBACEX
GROUP

Dear Tubacex Shareholders, Clients, and Partners,

I am reaching out to present the results for the first quarter of 2024 and to share an updated vision of our company's progress and future plans within the context of the NT2 strategic plan, "A New Tubacex in the Energy Transition."

The first quarter of 2024 has been significant due to several major milestones, including the activation of a macro order worth over \$1 billion signed with ADNOC, a contract we anticipate will be very fruitful over this and the coming years. Despite challenges such as the downward trend in nickel prices and the postponement of billing for some finished products, we closed the quarter with sales of €186.5 million and an EBITDA of €25.0 million, achieving a quarterly EBITDA margin of 13.4%.

These results reflect our ability to quickly adapt to changing market conditions and maintain our competitiveness. Additionally, during this period, we have continued to make progress on the construction of the tube finishing and threading plant in Abu Dhabi. This project is proceeding on schedule, with the expectation to begin operations in the last quarter of this year.

The increase in our net financial debt, currently at €364.1 million, is directly related to significant strategic investments, including the construction of our new plant in Abu Dhabi and an increase in working capital, which is fully utilized. These investments reflect our commitment to expansion and modernization, while demonstrating our ability to manage our financial resources prudently and effectively. In line with our strategic objectives, we maintain a firm commitment to keeping the net debt/EBITDA ratio below 2 times at the end of 2027, thus ensuring the sustainability and long-term growth of our company.

Our order book remains robust at €1.6 billion, maintaining the level reached at the end of the previous year, with a book-to-bill ratio of 1.0x. This stability in the order book is a clear indicator of the continued confidence our clients place in our company.

Looking forward, the current environment allows us to anticipate a gradual improvement in quarterly results and that the capture levels during this period will facilitate high growth in 2025.

I want to once again thank our entire team for their dedication and effort, as well as our clients, partners, and shareholders for their ongoing support and trust.

Together, we will continue to face today's challenges while laying the foundations for growth, always committed to sustainable and responsible growth.

Sincerely,

Jesús Esmorís Chief Executive Officer

Jesús Esmorís

Chief Executive Officer

RESULTS RELEASE

FIRST QUARTER 2024

APRIL 2024

TUBACEX
GROUP

MAIN CONSIDERATIONS

FOUNDATIONS FOR GROWTH HAVE BEEN LAID

- The first quarter of the year saw the **activation and start-up of the Adnoc project with the first order being placed**, whereby more significant orders are expected throughout the year
- 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 were affected by three key factors (i) the downward trend in **nickel prices**, (ii) an **increase of €32.8M in inventories** corresponding to projects to be invoiced in the coming quarters and (iii) 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
- These factors enable **gradual increases** in **turnover, EBITDA** and **margin** to be foreseen
- Construction of the tube finishing and threading plant in Abu Dhabi, as part of the large order worth more than US\$1 billion, is on schedule, with start-up expected in the last quarter of the year
- Net financial debt stands at €364.1M and includes investment in this plant amounting to €30.7M and an increase of €45.4M in working capital
- The **backlog** remains at €1.6 billion, at the same level as the close of the previous year, with a book-to-bill ratio of 1.0x
- Given the current climate, we expect a 2024 fiscal year to be characterized by a **gradual improvement** in quarterly results, a second half of the year with better results than in the first half, and order **intake levels** that enable us to foresee **high growth in 2025**



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

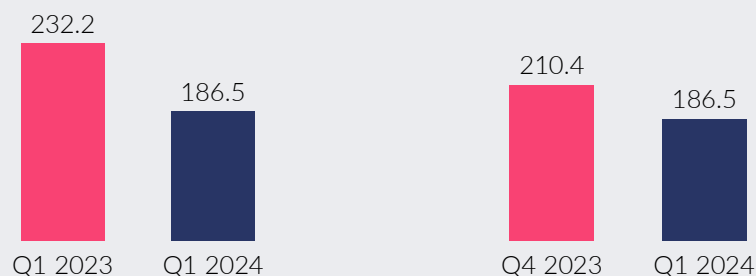
(€M)	Q1 2023	Q1 2024	% Var.	Q4 2023	Q1 2024	% Var.
Sales	232.2	186.5	-19.7%	210.4	186.5	-11.4%
EBITDA	30.5	25.0	-18.0%	31.4	25.0	-20.6%
EBITDA Margin	13.1%	13.4%		14.9%	13.4%	
EBIT	18.7	13.5	-27.8%	20.2	13.5	-32.9%
EBIT Margin	8.1%	7.3%		9.6%	7.3%	
Earnings Before Taxes & Min	12.7	4.8	-62.1%	10.7	4.8	-54.7%
Margin	5.5%	2.6%		5.1%	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

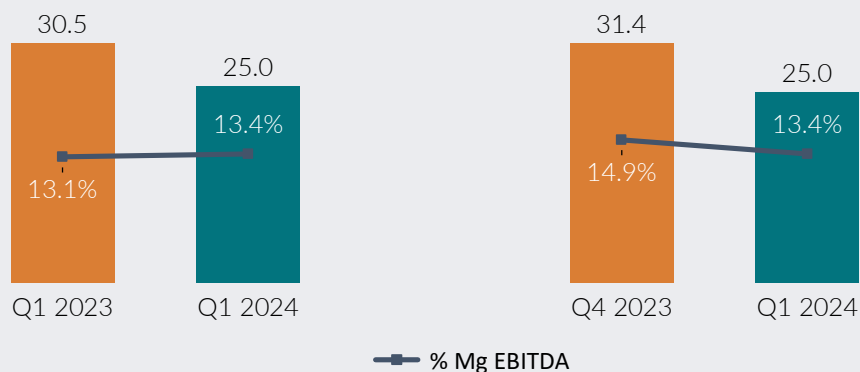
(1) Net Financial Debt – Working Capital

MAIN FIGURES FROM THE **INCOME STATEMENT**

SALES €M



EBITDA €M



First-quarter **sales** stood at **€186.5M**, below the figure reached in the same quarter of the previous year

- **Declining trend in nickel prices:** turnover of the most commodity products is being negatively affected
 - The average nickel price in the first quarter of 2024 was 36% lower than the average price in the first quarter of the previous year
- 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



The effect of the increase in finished products and work in progress pending invoicing is also reflected in the EBITDA figure, which amounted to €25M



The **EBITDA margin** for the quarter increased from 13.1% in the first quarter of last year to **13.4%** at present



All of the Group's units have consolidated reductions in structural costs and are **focusing on added value rather than production volume**



In the **coming quarters**, a **gradual improvement** in both **turnover** and **EBITDA** figures is foreseen given the current portfolio

MAIN FIGURES FROM THE BALANCE SHEET: **WORKING CAPITAL**

WORKING CAPITAL OVER SALES: INCREASED TURNOVER IS FORESEEN

INCREASE IN WORKING CAPITAL DUE TO THE FORESEEABLE RISE IN TURNOVER

The working capital amounts to €279.9M, up €45.4M on the 2023 year-end
The prospects of increased turnover over the coming quarters are the main reason for this rise

STOCKS HAVE INCREASED BY €32.8M OVER THE QUARTER

Most of the stock figure corresponds to high value-added products for complex projects that will be invoiced in the following quarters

RISE IN THE STOCK FIGURE REFLECTS THE GROWTH IN FINISHED PRODUCT ALREADY SOLD

Premium product in manufacturing: Value Strategy vs. Volume

EVOLUTION OF FINISHED PRODUCT AND WORK IN PROGRESS

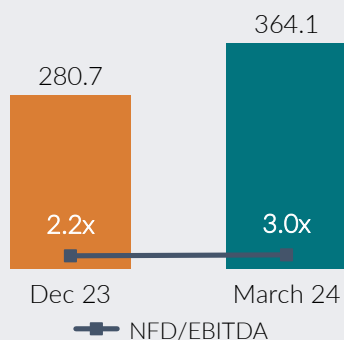
The gradual start-up of the Abu Dhabi plant, along with the first orders being placed, will require an increase in work in progress products during the year in order to guarantee the supplies agreed for 2025



MAIN FIGURES FROM THE BALANCE SHEET: **NET FINANCIAL DEBT**

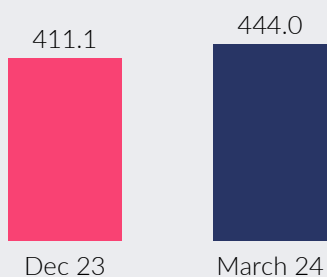
Net Financial Debt

€M



Stocks Evolution

€M



- Tubacex is building a new OCTG tube finishing and threading plant in **Abu Dhabi**, as part of the major \$1,000M project, whereby operations will commence later this year

- **Investment** to date in this plant amounts to **€30.7M**

- In addition, there has been **strategic investment in tooling** for the NTS/AW Group

- Both investments ensure Tubacex's **differential competitive position in the Middle East**



- 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



- Net financial debt** amounts to €364.1M and **includes the strategic investments** mentioned above **and the increase of €45.4M in working capital**, of which €32.8M correspond to projects to be invoiced over the coming quarters



- 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



- The Stock figure of €444M corresponds mainly to finished products and work in progress, essentially complex solutions manufactured against firm orders



- The Group's financial position is sound with €117.8 M in cash and **liquidity close to €190M**

REVENUES BREAKDOWN



SECTOR DIVERSIFICATION

Diversified sales mix by sector with the right positioning to take advantage of both current and future low-emission energy sources, as well as the so-called transition energies (gas and nuclear)

UPSTREAM GAS IN ASIA AND THE MIDDLE EAST

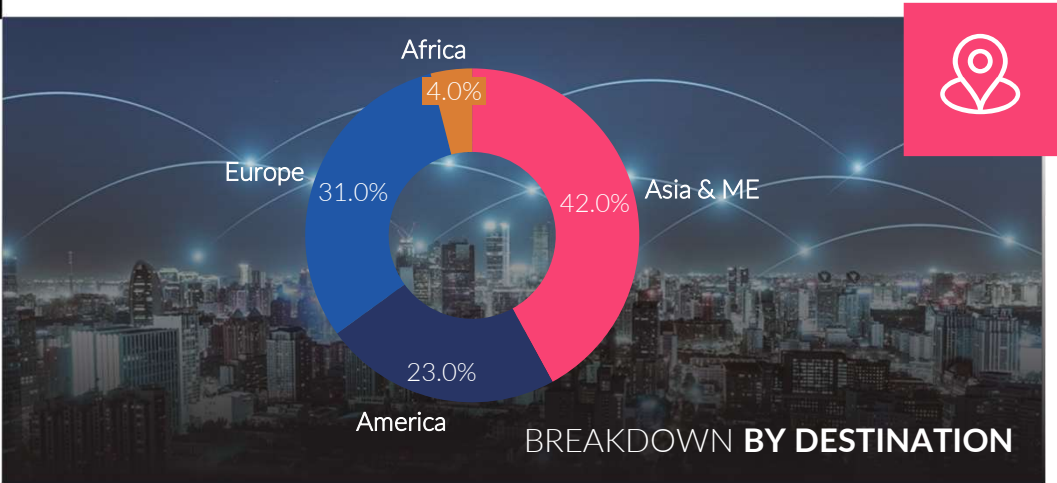
The Group's sales maintain significant weight in the Gas Upstream sector and the Asian and Middle East region, in line with the strategic objectives

PREMIUM PRODUCTS

The good positioning with strategic customers, together with the strategy of entering into long-term agreements is enabling an optimum product mix to be maintained and margins to be consolidated in strategic levels

ORDER INTAKE

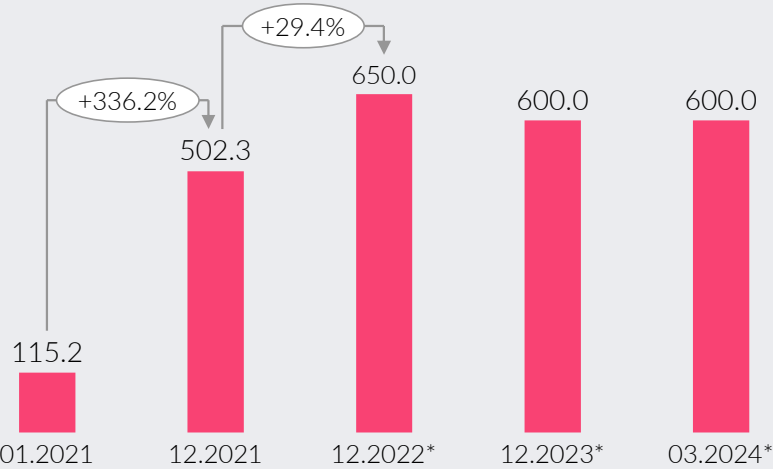
Order intake resumes a growing trend following a slowdown at the end of the previous year due to delays in orders caused by the macroeconomic and geopolitical environment



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

COMMERCIAL REMARKS (I) E&P OIL&GAS



UPSTREAM



▪ OCTG

- Ongoing tender activity in **Brazil** combined with continued execution of existing contracts
- Consistent and strong demand in the **Middle East and Asia**, indicating a **positive demand outlook** thorough at least 2024, 2025 and 2026
- Focus on value added supply chain and technology solutions to serve the end users in their field operations for **long term frame agreements**

▪ Drilling

- Except for Canada where there is a slowdown due to seasonal changes and local legislation, **order intake remains robust** mainly in **US**, across the **Middle East** and particularly in **Saudi Arabia** and in **Norwegian North**, where a record-breaking year is anticipated



OFFSHORE



▪ Topside

- **Good prospects in the medium/long term** with higher backlog load due to increased market share from one of our main clients

▪ Subsea

- Ongoing talks on **strategic framework agreements** with main umbilical manufacturers
- **Record number of** identified opportunities in Q1 2024
- **Record backlog** in our Austrian facility (Sber) in this market segment

COMMERCIAL REMARKS (II) INDUSTRIAL & POWERGEN



INDUSTRIAL



- The industrial sector continues to account for a major part of Tubacex's sales
- In the first quarter of 2024, order intake for refinery and petrochemical pipelines and furnaces in China, mainly **Ethylene**, can be highlighted
TUBACEX's positioning in high value-added products enables us to maintain our presence in markets characterized by low-cost competitors
- The **distribution** sector has experienced a slight increase in order intake following the stabilization of the nickel price
- In the coming quarters, ongoing heavy investment should keep activity levels high
*Primarily in the Middle East, with the significant weight of **LNG** following the announcements of investments by Saudi Aramco, Adnoc or Qatargas*



POWERGEN



- Group divestment from conventional coal projects and reorientation towards the circular economy and energy transition, aligned with United Nations' goals
- Positive activity in the PowerGen segment
*Orders for two USC power plants in China (Ultra Super-Critical Technology)
Nuclear maintenance contracts for EDF*
- Significant reactivation of key projects in both India and the USA
*High quotation levels for USC power plants in India
Negotiations with engineering firms in the nuclear sector in the USA for SMR (Small Modular Reactor) power plants*
- We continue working on our positioning in key contracts for EDF's future nuclear plants in France under the new EPR2 design

COMMERCIAL REMARKS (III) LOW CARBON & NEW BUSINESESS



LOW CARBON



- **Carbon Capture**
 - Tendering activity showed some slowdown in the US (the most dynamic region so far) due to operators facing delays in the execution of their projects due to government approvals coming later than expected
 - Invoicing activity in this segment remained solid with projects being delivered to South East Asia and the US during the Q1 2024
- **Hydrogen**
 - First important order being booked for an electrolyzer plant in Spain
- **Fertilizer & Ammonia**
 - Significant tenders are expected during the second half of this year, but already relevant orders have been booked in India
- **Circular Economy**
 - Activity continues healthy both at an invoicing and booking level, adding new customers



NEW BUSINESESS



- Signing of several NDAs with main end-users strengthening our positioning in the **Aerospace & Defense** sector
- Tubacex signed a contract to collaborate in the technological development of the **Future Combat Air System** (FCAS) programme
- LOI with a partner for the participation on the development of a **European Space Agency** project
- Tubacex India has successfully produced its first tubes for **the semiconductor industry**

MAIN ESG KPIs



	Indicator	Ud.	2019*	Q1 2024	Goal 2030
ENERGY & CLIMATE	Energy Intensity ⁽¹⁾	Mwh/ GAV	2.85	1.71	2.13
	Scope 1 y 2 Emissions intensity ⁽²⁾	Ton CO ₂ / GAV	0.70	0.27	0.28
	% Renewable Energy	% total energy	0%	32.6%	40%
CIRCULAR ECONOMY	Waste recycled	% total generated	60.5%	86.8%	95%
SUPPLY CHAIN	% suppliers evaluated on ESG factors	%	0%	86%	99%
DIVERSITY	Gender pay Gap	Ratio	11.5%	10.6%	10.1%
PROFFESIONAL DEVELOPMENT	Training delivery per employee	Hours /FTE	13.7	14.4	15
HEALTH & SAFETY	Lost Time Injury Frequency Rate [LTIFR] Evolution	2019 Basis	100	43.4	25
	Severity Rate Evolution	2019 Basis	100	42.2	25

*2020 and 2021 are not considered as representative years due to Covid-19 and strike in some sites

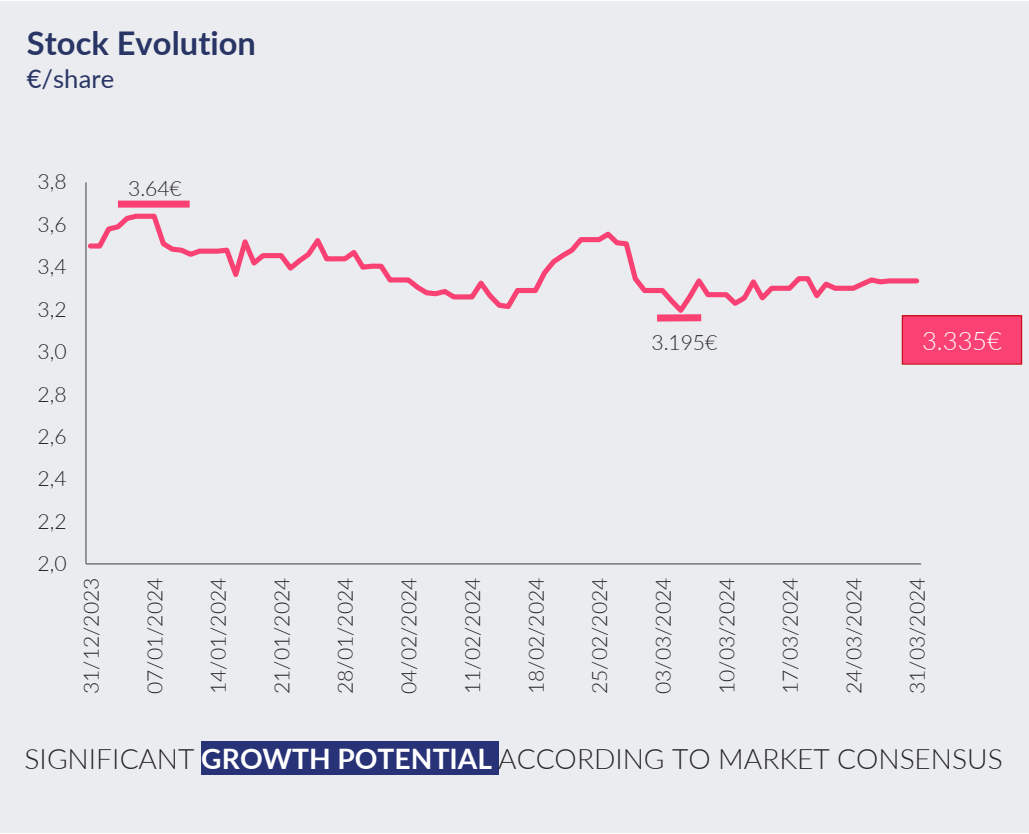
1. Group companies intensities weight by energy use

2. Group companies intensities weight by emissions

GAV: Gross Added Value (€k)

STOCK INFORMATION

GROWTH POTENTIAL

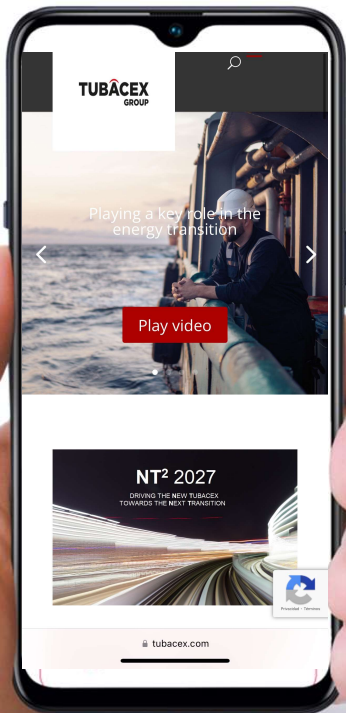


	Key Data
# shares outstanding	126,549,251
€/share (03.31.24)	3.335€
Market Cap. (M€)	442.0M€
% evolution	-4.7%
Maximun	3.64€ (Jan. 5)
Minimum	3.195€ (March 5)
Average Target Price ⁽¹⁾	4.83€

Source: Bolsas y Mercados
1) Average target Price on 31st March according to Market consensus

CONCLUSIONS

GROWTH PROSPECTS OVER THE COMING QUARTERS



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 backlog remains at historical levels and is concentrated in high value-added products



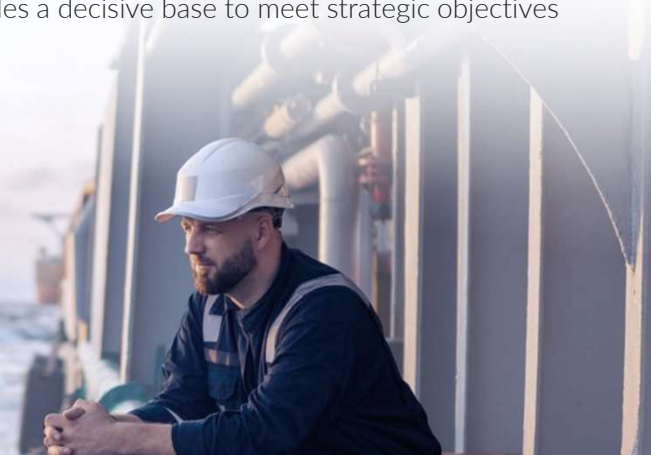
VISIBILITY

Gradual increase in turnover and margins over the coming quarters



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



NEW STRATEGIC PLAN RELEASE

NT2: NEW TUBACEX NEXT TRANSITION

DRIVING SUSTAINABLE VALUE AND ENTERING INTO A NEW PHASE OF VALUE CREATION FOR OUR SHAREHOLDERS

REASONS TO INVEST IN TUBACEX

- A **world leader** in unique advanced industrial solutions for energy and mobility
- With a **fully integrated production model** to capture the long-term growth offered by the macrorends that are driving both sectors
- **Global presence with long-term agreements** with strategic partners
- Showing a proven **solid track record of transformation**, adaptation to the market ahead of trends and goal achievement
- Endorsed by **solid results and a strong backlog**
- Committed to **human progress** through strong sustainability objectives

NT2 2027 TARGETS



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



MARKET
LEADERS IN
LOW CARBON
BUSINESS



TO BE A POINT
OF REFERENCE
IN
SUSTAINABILITY



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

APPENDIX

TUBACEX
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CONSOLIDATED INCOME STATEMENT

DETAIL

(€M)	Q1 2023	Q1 2024	% var.	Q4 2023	Q1 2024	% var.
Sales	232.2	186.5	-19.7%	210.4	186.5	-11.4%
Change in inventories	13.1	24.7	88.8%	(9.6)	24.7	n.m.
Other income	3.8	5.2	38.5%	8.1	5.2	-35.4%
Cost of materials	(113.8)	(93.3)	-18.0%	(84.8)	(93.3)	10.1%
Personnel expenses	(40.3)	(41.3)	2.4%	(40.6)	(41.3)	1.6%
Other operating costs	(64.5)	(56.9)	-11.8%	(52.1)	(56.9)	9.1%
EBITDA	30.5	25.0	-18.0%	31.4	25.0	-20.6%
EBITDA Margin	13.1%	13.4%		14.9%	13.4%	
Depreciation & Amortization	(11.7)	(11.4)	-2.5%	(11.3)	(11.4)	1.4%
EBIT	18.7	13.5	-27.8%	20.2	13.5	-32.9%
EBIT Margin	8.1%	7.3%		9.6%	7.3%	
Financial Results and FX	(6.0)	(8.7)	45.5%	(9.5)	(8.7)	-8.4%
Profit Before Taxes and Min	12.7	4.8	-62.1%	10.7	4.8	-54.7%
Margin	5.5%	2.6%		5.1%	2.6%	

n.m.: not meaningful

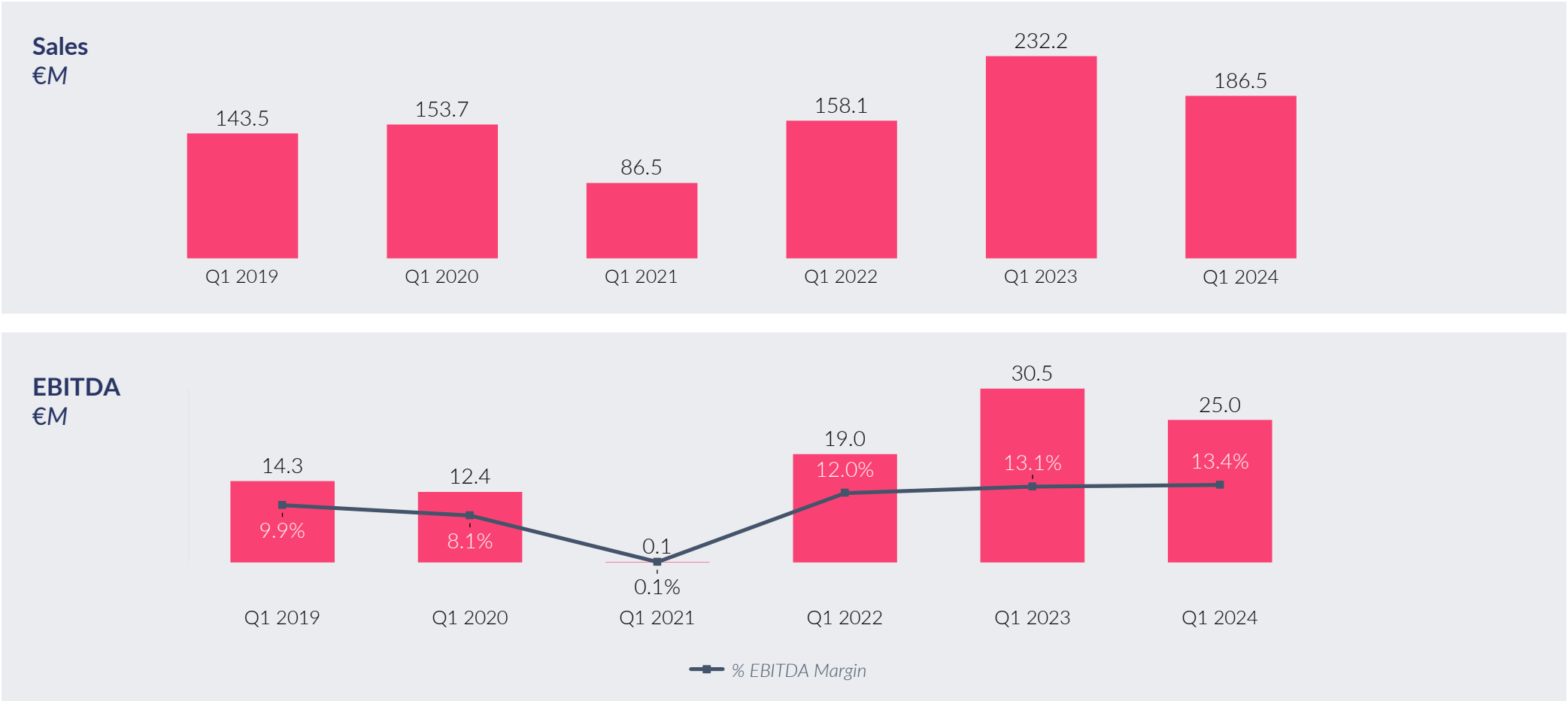
CONSOLIDATED BALANCE SHEET

DETAIL

(€M)	31/12/23	31/03/24	%var.
Intangible assets	112.6	110.6	-1.7%
Tangible assests	306.7	313.4	2.2%
Financial assets	99.1	99.4	0.3%
Non-current assets	518.3	523.5	1.0%
Inventories	411.1	444.0	8.0%
Receivables	74.2	84.9	14.4%
Other account receivables	22.1	26.0	17.9%
Other current assets	3.7	5.0	35.9%
Derivative financial instruments	3.1	1.7	-43.4%
Cash & equivalents	179.0	117.8	-34.2%
Current assets	693.2	679.5	-2.0%
TOTAL ASSETS	1,211.5	1,202.9	-0.7%

(€M)	31/12/23	31/03/24	%var.
Equity, Group Share	240.0	244.4	1.8%
Minority interests	53.6	54.6	1.8%
Equity	293.6	298.9	1.8%
Interest-bearing debt	124.3	107.8	-13.2%
Provisions and others	82.2	81.0	-1.5%
Non-current liabilities	206.5	188.8	-8.5%
Interest-bearing debt	335.5	374.1	1.5%
Derivative financial instruments	1.5	1.4	-3.5%
Trade and other payables	250.9	249.0	-0.7%
Other current liabilities	123.5	90.7	-26.6%
Current liabilities	711.4	715.2	0.5%
TOTAL EQUITY & LIABILITIES	1,211.5	1,202.9	-0.7%

HISTORICAL QUARTERLY EVOLUTION: **SALES & EBITDA**



ALTERNATIVE PERFORMANCE MEASURES – APM I

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 Interests and Taxes)

Tubacex presents the calculation of EBIT in its Income Statement as the operating profit before interest and taxes

EBITDA (Earnings Before Interests, Taxes, Depreciations and Amortizations):

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

$$\text{EBITDA} = \text{EBIT} + \text{Amortization} + \text{Provisions}$$

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

MARGIN EBIT

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 – APM II

PROFIT BEFORE TAXES 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

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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