



The global restructuring of the Tubacex Group will affect 20% of the workforce

- **The negative evolution of the market over the last few years, with a drop of over 50%, and the coronavirus crisis have prompted the Company to implement a series of urgent industrial reorganization and cost-cutting measures.**
- **Specifically, with regards to employment, the measures already being implemented amount to a 20% cost adjustment, around 500 people, which together with other measures equate to savings of over 25M euros in 2021.**
- **Regardless of short term measures to overcome the crisis, TUBACEX will continue with its industrial strategy focused on high value-added products produced in more costly manufacturing plants, on making the important investments in developing countries required to win large contracts, and on the necessary growth in the markets of the future such as Asia and America.**

Llodio, 21st July 2020. Over the last few years Tubacex has continued its operations in a highly competitive environment marked by uncertainty. The negative evolution of the market, with a drop of 50% during the peak of the oil crisis, and the subsequent spread of coronavirus have driven the Group to implement a series of urgent industrial reorganization and cost-cutting measures

which will encourage greater competitiveness in the current situation. Specifically, in terms of workers, this will imply a 20% reduction in employment costs.

From the onset of the crisis TUBACEX activated an emergency cost-cutting plan, covering all the Company's areas and activities. With regards to human resources, 3 months ago a pay cut was applied to top level management and a redundancy program was initiated, which when completed at the end of 2020, will bring annual savings of 25M euros. Each Business Unit will initiate the dialogue with workers' representatives needed to overcome this difficult and unavoidable cost-cutting challenge which will guarantee the continuity of the business project. This process may affect a section of the workforce, currently estimated at 500 workers across the whole organization. The Group trusts in the commitment of all employees to save the jobs of the great majority of TUBACEX workers.

These extremely adverse circumstances will not alter the Company's industrial strategy. TUBACEX has chosen to focus on high value-added products, produced by the more costly manufacturing plants, especially those in Spain, Italy and Austria, whilst transferring production of standard products to the more cost-competitive plants, based in Asia. At the same time, growth in some product lines, particularly in OCTG, is linked to local content requirements, which must be met to win the major contracts. The Group also continues with its diversification strategy and growth in key regions, with new plants planned in Asia and America. In this vein the Group opened a plant in Oklahoma USA and, through the NTS Group, has incorporated new plants in Saudi Arabia, Dubai and Norway, all within the last few months. The Company will continue to grow and acquire new companies in this way, as it constitutes an indispensable means to ensure the solidity of the Group.

About TUBACEX

TUBACEX, a leader in stainless steel and high-alloy metals, is a multinational group with its headquarters in Álava. It also offers a wide range of services, ranging from the overall design of a solution to installation and maintenance.

The company has manufacturing plants in Spain, Austria, the US, India, Thailand, and well as Saudi Arabia, Dubai and Norway, via the NTS Group. Constituting a worldwide service network, with a sales network in 38 countries.

The main demand sectors for the tubes TUBACEX manufactures are oil, gas, petrochemical, chemical and energy.

TUBACEX shares have been traded on the Spanish stock exchange since 1970 and the company forms part of the "IBEX SMALL CAPS" index. www.TUBACEX.com