

ANNUAL GENERAL MEETING

TUBACEX
GROUP

06.24.2021

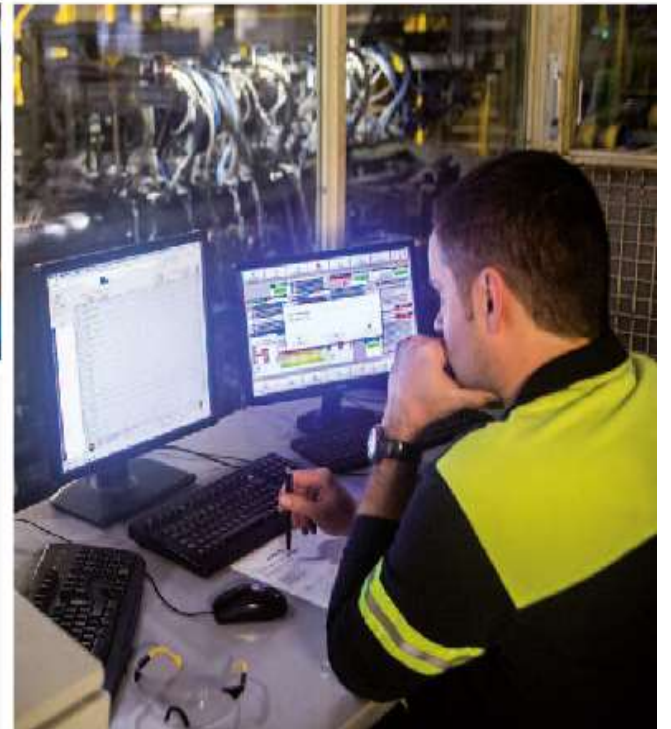


Index

1. Full Year 2020
2. Outlook
3. Stock Market

TUBACEX
GROUP





1

Full Year 2020

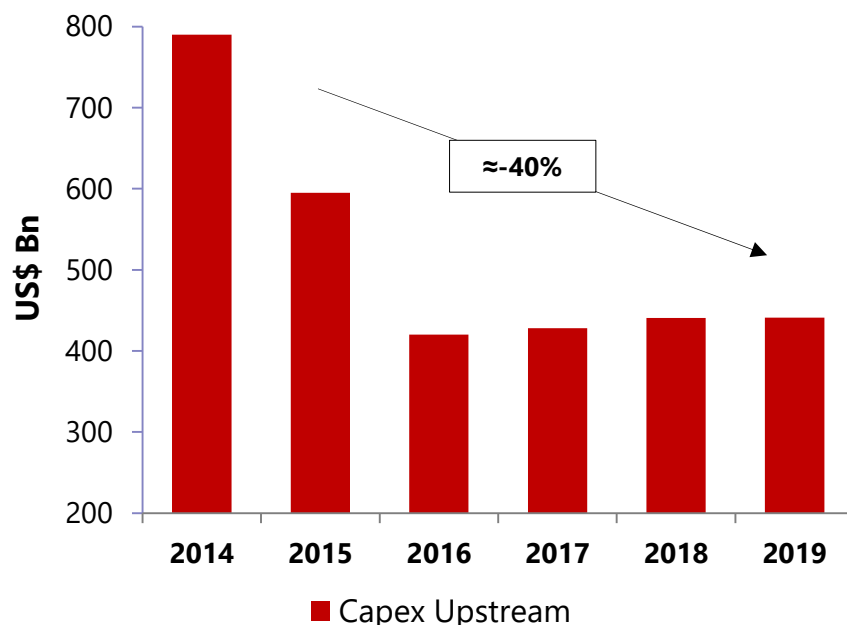


TUBACEX
GROUP

Before Covid-19 - Sales evolution

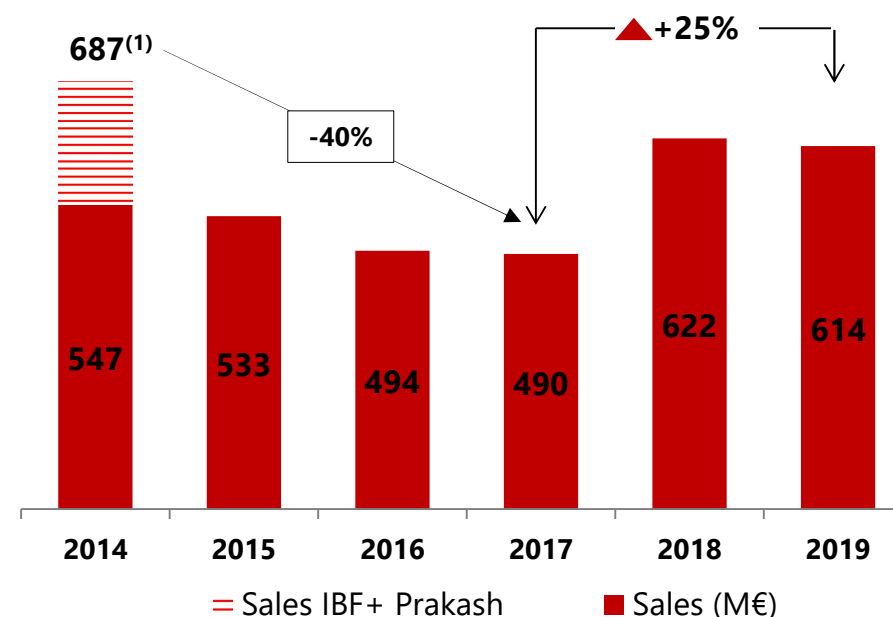
- The dramatic crisis in the Oil sector characterized by an unprecedented fall in Upstream Capex affected Tubacex's revenues
- However, the correct positioning in premium products allowed the Group to increase revenues in 2018 -2019

Global investment in Upstream



Source: World Energy Investment EIA; Tubacex

Tubacex Revenues



(1) Pro-forma sales, including the two companies acquired and incorporated in 2015 (IBF & Prakash)

Revenues in recent years heavily affected by the investment reduction in the market

Before Covid – 19 New Perimeter set up during Crisis

IBF (Italy)



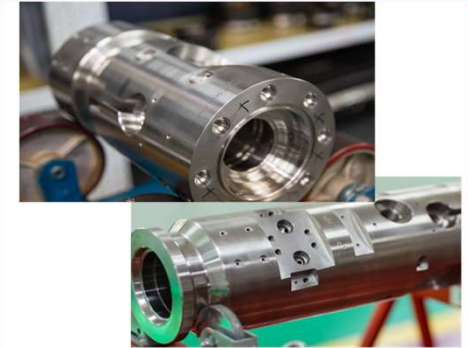
Prakash (India)



Awaji (Thailand)



NTS (Abu Dhabi)



Tubacex Upstream



Tubacex Services



Tubacex Service Solutions



Tubacex Durant



New perimeter investing in 9 productive mills with potential revenues of approx. €300M and with a positioning focused on complete solutions

Before Covid - 19, we were positioned for the recovery

	Pre Crisis 2014 (Proforma)	Crisis 2016 - 2017	Recovery 2018 - 2019	Change
Revenues	750 M€	500 M€	620 M€	+120 M€ (+24%)
Gross margin	370 M€ (50%)	230 M€ (46%)	300 M€ (50%)	+70 M€ (+30%)
EBITDA	82 M€ (12%)	35 M€ (7%)	70 M€ (11%)	+35 M€ (+100%)
Headcount	2,800	2,314	~2,550	+236 p.
# Patents	0	7	8	+1
Order Intake	≈ 700 M€	≈ 1,000 M€	500 M€	-500 M (-50%)*
% Premium Product	40%	65%	60-70%	▲
Sales to End User / EPC	35%	65%	60-70%	▲

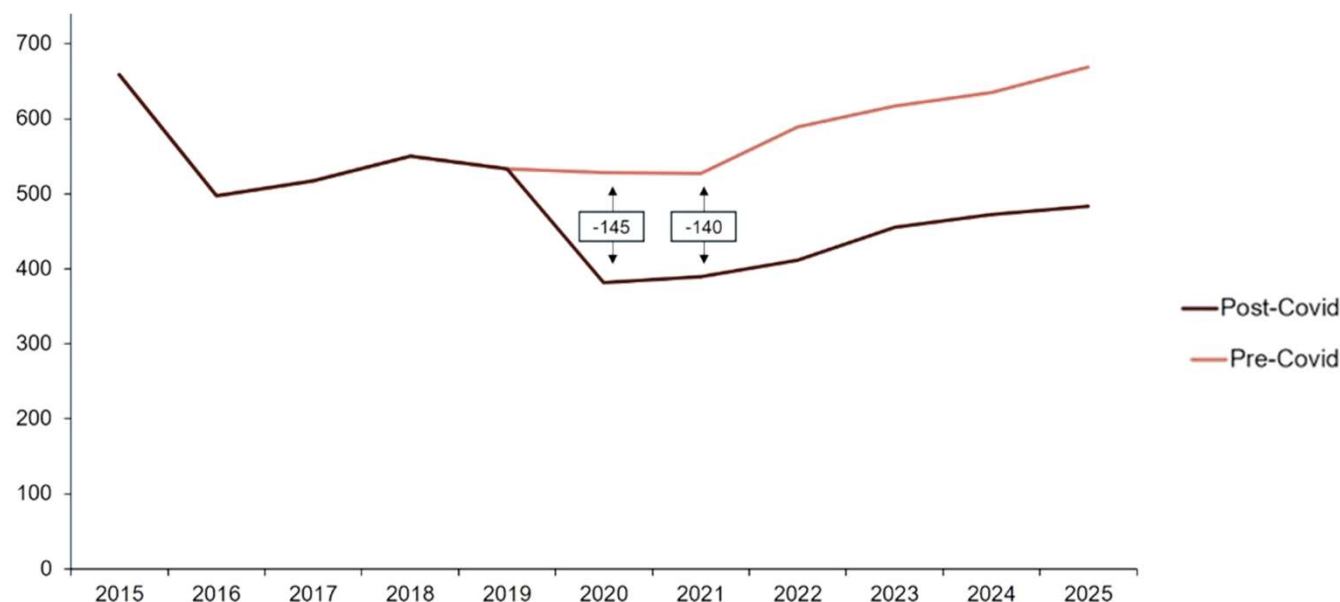
(*) Not including Iran Order

Before covid-19 we were getting closer to our Strategic Goals

March 2020: Covid-19

- After the outbreak of Covid-19 in Europe and America in March 2020 lockdowns appeared sequentially in all countries
- Many projects were postponed/cancelled leading to a dramatic reduction of our backlog

Global Upstream investment forecast pre and post Covid (\$Bn)

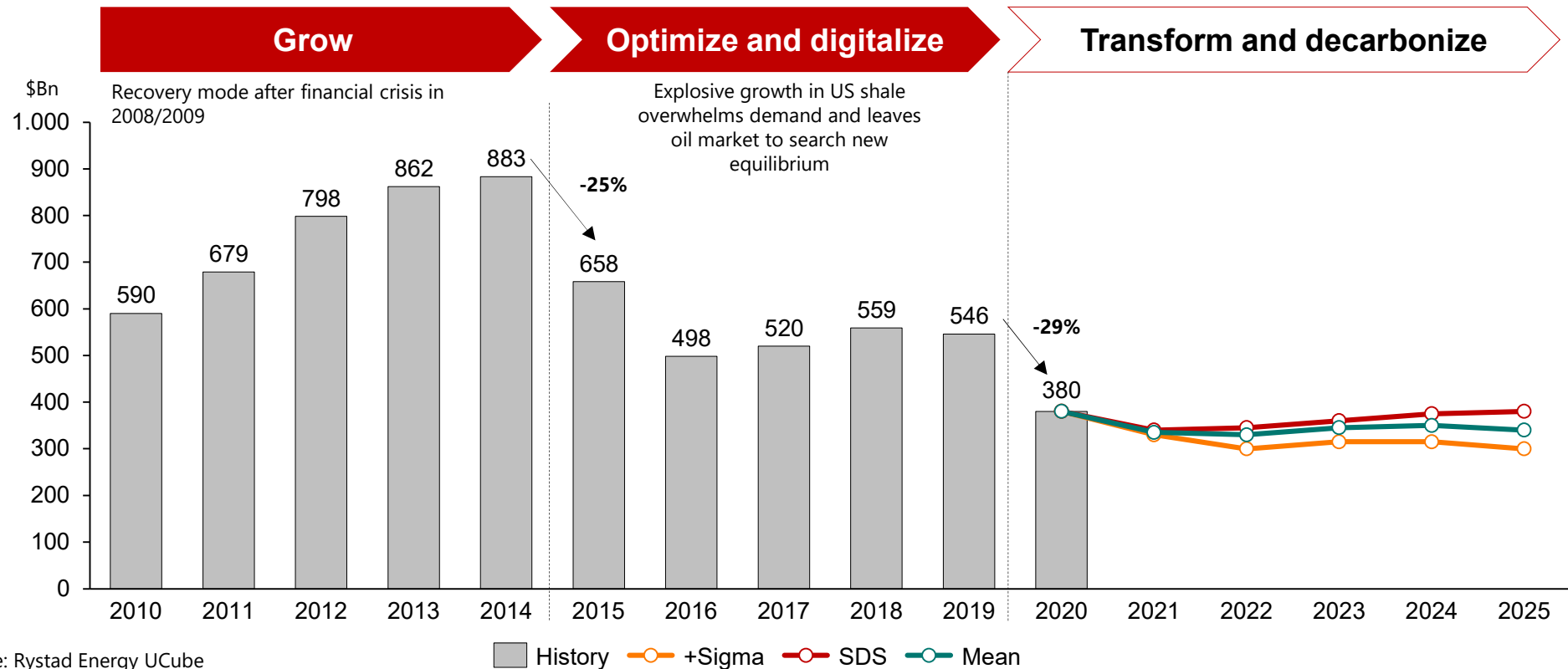


Source: Rystad Energy UCube Archive

Covid-19 crisis has caused a drop in Upstream investments of 145B\$ in 2020 and 140B\$ in 2021 with many projects delayed and other projects cancelled, so we had to develop a short term action plan for 2020

Decarbonization acceleration

- Covid-19 has not only affected years 2020 and 2021, but it has also accelerated the decarbonization process with most Oil & Gas companies reducing their CAPEX plans for the upcoming years



Different oil demand scenarios agree that E&P investment forecasts won't reach again even 2019 levels, so unfortunately we had to make additional changes leading to a new Strategic Plan

Action Plan 2020

1.
 - To implement cost restructuring measures to reduce the break-even point
2.
 - To guarantee the financial position of the Company
3.
 - To achieve a reasonable level of results
4.
 - To sign long term agreements with end users
5.
 - Don't stop strategic projects
6.
 - Don't burn cash at operating level
7.
 - To implement a Sustainability Plan

New goals set up in April to face the unexpected situation

Cost restructuring measures

Goals	<ul style="list-style-type: none"> ▪ Salary reductions: <ul style="list-style-type: none"> ▪ Management Committee & Board by 30%; Other groups and executives by 10-30% ▪ 2020 bonus cancellation ▪ Job regulation measures (i.e. ERTes) ▪ Stoppage of non-strategic investments ▪ Non-essential cost removal and fixed cost reductions 			
Achievements	<p>Renegotiation Material and consumptions</p> <ul style="list-style-type: none"> ▪ Reduction of outsourcing: ▪ Renegotiation of power tariffs ▪ Renegotiation of suppliers ▪ Maintenance, cleaning, etc. 		<p style="text-align: center;">Apr – Dec 20</p> <div style="border: 1px solid black; padding: 10px; text-align: center;"> <p>32,6</p> <p>M€</p> <p>Mainly temporary</p> </div>	<p style="text-align: center;">FY 2021</p> <div style="border: 1px solid black; padding: 10px; text-align: center;"> <p>32,8</p> <p>M€</p> <p>Mainly structural</p> </div>
<p>Personnel cost</p> <ul style="list-style-type: none"> ▪ ERTE/Casa De Integrazione. ▪ Salary reductions for Key People and Management Committee and bonuses elimination. ▪ Reduction of direct FTEs and temporary workers ▪ Workforce reduction (500 people) 				
<p>Other general & administrative cost</p> <ul style="list-style-type: none"> ▪ Travelling cost reductions ▪ Consultants and third-party outsourcing ▪ Reduction of costs in training, hiring, etc. ▪ Other reductions in administrative costs. 				

More than 30M€ of cost savings on annual and structural basis

Financial actions

Goals

- Focus on protecting and strengthening the cash position
 - Cash position of 145.8M€ by the end of March
- Extension of the maturity of the debt
- Diversification of financing sources

Achievements

- Bilateral 5-year loans signed with 11 Banks amounting to 60.5M€ (with one year grace), through the ICO's COVID 19 line
- Additional 3-year loan bullet signed in January 2021, with CESCE's COVID 19 line
- All credit lines renegotiated (80M€) with 2-5 years of maturity, with the support of ICO and CESCE (more than 43% have 5 years of maturity)
- Promissory notes issuance recovered in MARF (maturity between 3 and 18 months)
- Clients and suppliers financing lines completely active
- Grant and subsidies programs with State guarantee in USA and Italy

Cash position above 185M€ at year-end covering all the maturities until 2024

To maintain reasonable level of results

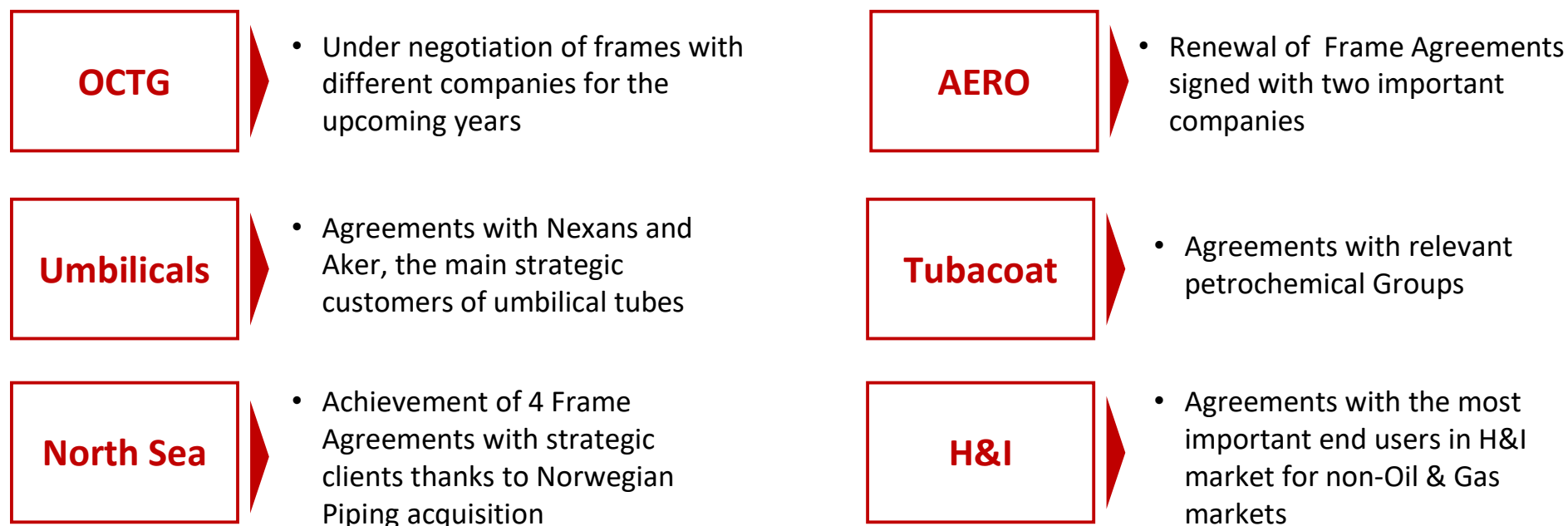
<i>Mill.€</i>	FY 2020	FY 2019	% Var.
Revenues	479.6	613.5	-21.8%
EBITDA	38.1	67.1	-43.2%
EBITDA margin	7.9%	10.9%	
EBIT	-11.9	22.8	n.m.
EBIT margin	neg.	3.7%	
Net Attributable Profit	-25.3	11.1	n.m.
Net margin	neg.	1.8%	
	Dec 2020	Dec 2019	Var. (€M)
Net working capital	206.8	187.2	19.5
Net working capital / sales	43.1%	30.5%	
Net Financial Debt	298.1	253.6	+44.6
Net Financial Debt / EBITDA	7.8x	3.8x	
Structural Net Financial Debt⁽¹⁾	91.4	66.3	+25.0

In 2020 the TUBACEX Group voluntarily registered extraordinary adjustments to a value of 20.30M€ without affecting the cash position

(1) Total Net Financial Debt – Working Capital

Frame agreements

- During 2020 we have signed several frame agreements with relevant clients of our premium products, strengthening our positioning in the market and reinforcing our presence in strategic locations
- We will continue to deepen this strategy in 2021 setting up long term relationships with main clients



Laying the foundations for future growth and diversification

Don't stop strategic projects (I)

- Commitment with the next generation of materials and solutions not only to comply with the toughest technical specifications but also provide the highest efficiency levels while minimizing environmental impact
- We have developed materials highly resistant to corrosion and pressure for the hydrogen production industry, a major energy source in the transition to cleaner energy.



80% of our innovation efforts focused on sustainability by 2030

Generation, transport or storage of new energy sources require materials highly resistant to temperature, corrosion and pressure, where TUBACEX plays a key role.

Don't stop strategic projects (II)

- We have made two small acquisition: Amega West and Norwegian Piping

Amega West

- Acquired by the Joint Venture formed by TUBACEX and ADQ (formerly SENAAT)
- Headquartered in Dubai, Amega West Services is a world leader in the manufacture and rental of hi-tech drilling equipment for offshore and land-based Oil & Gas extraction, as well as downhole tooling
- It has production plants in the US, Canada and Singapore, as well as service centers the US and the UK
- This acquisition reaffirms NTS as market leader in the Middle East (UAE/GCC) and second in the world for drilling systems and repair and maintenance services.
- The operation strengthens TUBACEX's position as a supplier of integrated hi-tech solutions in stainless steel, building closer ties with important customer like Baker Hughes, Schlumberger, Emerson and Halliburton (amongst others) in the world's main centers for Oil and Gas extraction

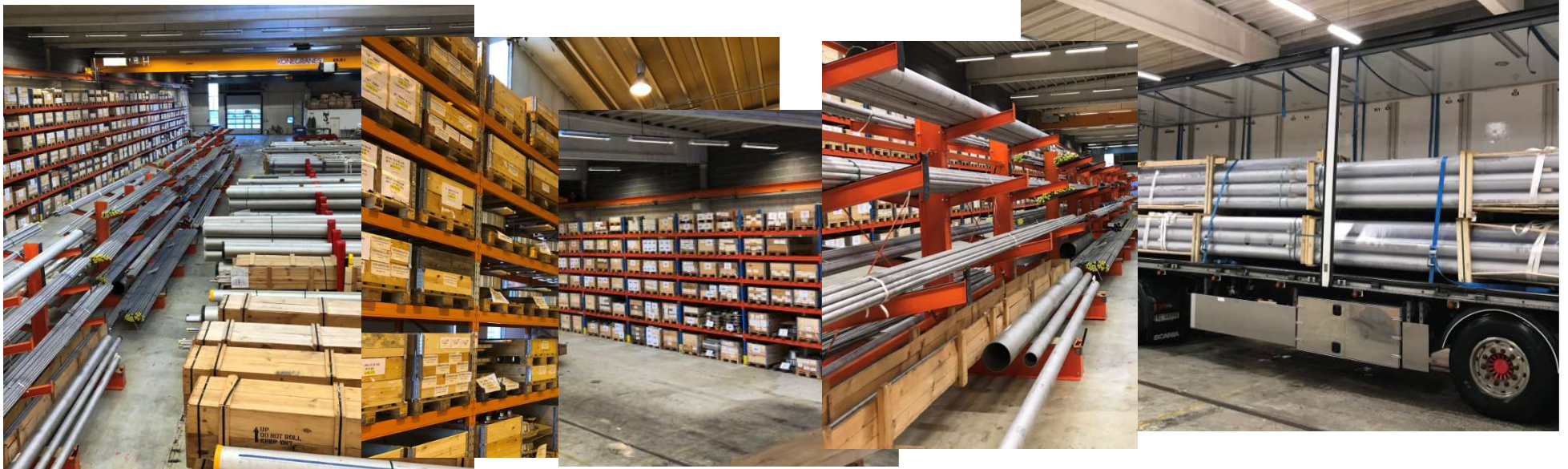


Don't stop strategic projects (III)

- We have made two small acquisition: Amega West and Norwegian Piping

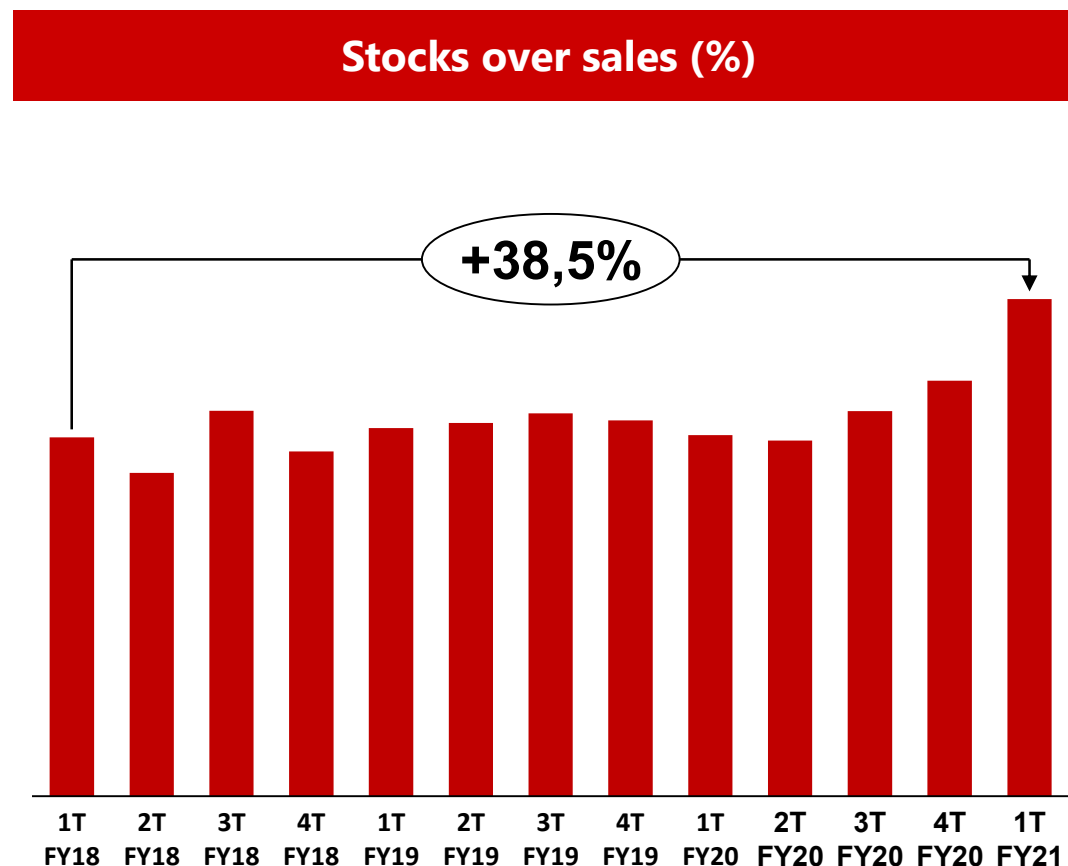
Norwegian Piping

- The acquisition will accelerate our plan in Norway and will strengthen our positioning in the North Sea thanks to the frames the company has with some of the most important end user
- The newly called **TSS Norway** will act as a platform to better serve our customers in North Sea



Don't burn cash at operating level

- The inorganic capex together with the impossibility of reducing the stocks level, prevent us from keeping our goal of maintaining a similar level of net debt than in December 2019
- This situation combined with the low level of results made us close the year with a higher-than-expected NFD/EBITDA ratio
- However, the high cash position guarantees the liquidity of the company



Slower rhythm in stocks decrease prevent us for fully accomplishing this goal

Implementation of a Sustainability Plan

- Materials and solutions specially designed and produced to achieve sustainability goals

1

Decarbonization and circular economy

- Signature of the Science Based Target (SBT) initiative, in which we ratify our commitment to reduce greenhouse gas emissions by 2030

2

Development of advanced solutions

- Most of our products are almost fully recyclable
- Development of advanced materials capable of significantly improving energy efficiency and therefore, reducing CO2 emissions for our customers

3

Diversification towards clean energy

- Diversification strategy towards new business lines, such as hydrogen, solar, biomass or geothermal energy
- Significant efforts in the field of innovation to develop customized solutions for the low-carbon energy market

Playing an active role in energy transition



Commitment to reduce the Environmental Impact...

Dimensions	Objectives	
<p>Environmental Minimising the impact of Tubacex on nature</p>	<p>Decarbonization -60% by 2030 and net zero 2050</p>	<ul style="list-style-type: none"> • Progressive substitution of fossil-fuel based energies with renewable sources • Green electricity sourcing, using PPAs to link with renewable generation • Reduction of energy intensity, improving efficiency of processes and equipment, and introducing digital enabled management tools aligned with continuous improvement standards (ISO 50001) • Work with suppliers to extend decarbonization initiatives throughout the supply chain
	<p>Circular Economy -85% waste, -15% water footprint by 2030</p>	<ul style="list-style-type: none"> • Reduce the overall life-cycle impact of our products focusing on the extension of product life, reduction of raw materials requirements, and recovery and recycle of by-products, waste and products • Promote valorization of waste, with a focus on slag and refractories as main categories of our waste, to reduce dump volumes in 85% by 2030 • Create a culture of water management, reducing our footprint apply a circular model
	<p>Transparency</p>	<ul style="list-style-type: none"> • Develop our operating model including processes, organization, tools and KPIs to monitor and manage in a sustainable way all the aspects of our operation with an environmental impact • Increase transparency and accurateness of our ESG reporting to align with the expectations of our stakeholders and the sustainable financing strategy

...Without forgetting about People and Ethics

Dimensions	Objectives	
Social The contribution of Tubacex to fairness in society	Supply chain & Distribution	<ul style="list-style-type: none"> • Labour rights (e.g. freedom of association, health & safety, fair wages, human rights, modern slavery) • Diverse & inclusive supply base
	Workforce	<ul style="list-style-type: none"> • Diversity & inclusion across employee categories (e.g. gender, BAME), social mobility, and pay equality • Health & safety and wellbeing - programmes to support health & wellbeing, fatalities, injuries, etc. • Human capital development: training provided, skills developed, etc.
	Communities	<ul style="list-style-type: none"> • Promoting the development of communities and most vulnerable collectives.
Governance Quality of processes for decision making, reporting and ethical behaviour	Transparency	<ul style="list-style-type: none"> • Providing accurate and timely reporting to stakeholders vs. recognised standards - on corporate purpose, strategy, financial performance, and ESG tax benefits - e.g., from investments in ESG initiatives)
	Accountability	<ul style="list-style-type: none"> • Ensuring leaders are accountable for performance and risk management, across both ESG and other decisions, and pay is aligned to outcomes
	Independence	<ul style="list-style-type: none"> • Ensuring appropriate independent oversight, incl. Board composition, diversity, remuneration, and limiting controlling shareholders and concentrated voting rights
	Ethical behaviour	<ul style="list-style-type: none"> • Corporate governance: undertaking business in an ethical manner (e.g., avoiding bribery and corruption)

Portfolio of ESG initiatives/projects

Environmental Minimising the impact of the firm on nature

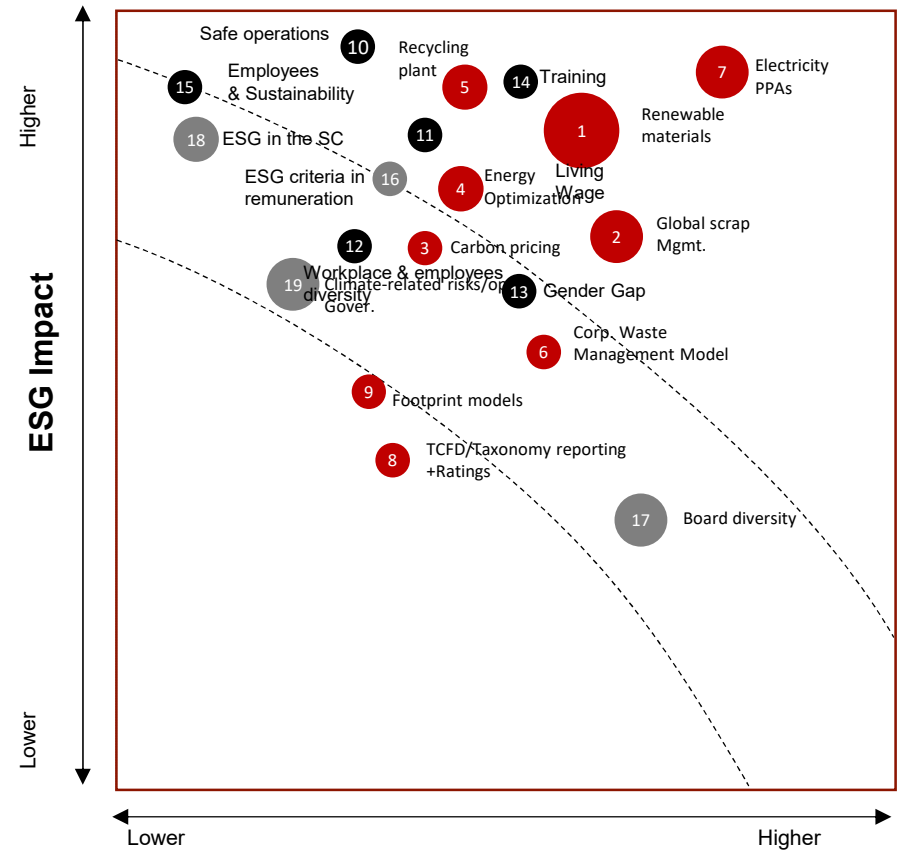
- 1 Increase use of renewable materials
- 2 Global Scrap Management
- 3 Internal/External carbon pricing
- 4 Energy Optimization & Management Systems
- 5 Slag & Refractory Recycling plant
- 6 Corp. Waste Management Model
- 7 Electricity PPAs
- 8 TCFD/Taxonomy reporting + ESG ratings
- 9 Organization and product footprint models

Social The contribution of a company to fairness in society

- 10 Safe Operations
- 11 Provide living wage
- 12 Address workplace & employees diversity
- 13 Eliminate Gender Gap (Position & Pay)
- 14 Knowledge development (Training)
- 15 Employees involvement on Sustainability

Governance Quality of processes for decision making, reporting and ethical behaviour

- 16 Include ESG criteria in remuneration approach
- 17 Improve board diversity
- 18 Promote ESG in the supply chain
- 19 Climate-related risks/opportunities governance



Ease of implementation
Bubble Size indicates ROI

Accomplishment of the goals

1. To implement cost restructuring measures to reduce the break-even point



2. To guarantee the financial position of the Company



3. To achieve a reasonable level of results



4. To sign long term agreements with end users



5. Don't stop strategic projects

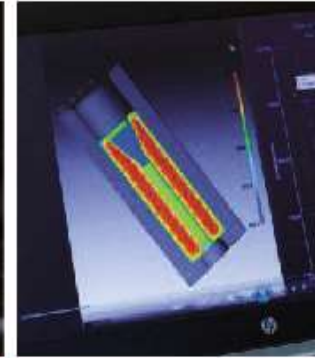
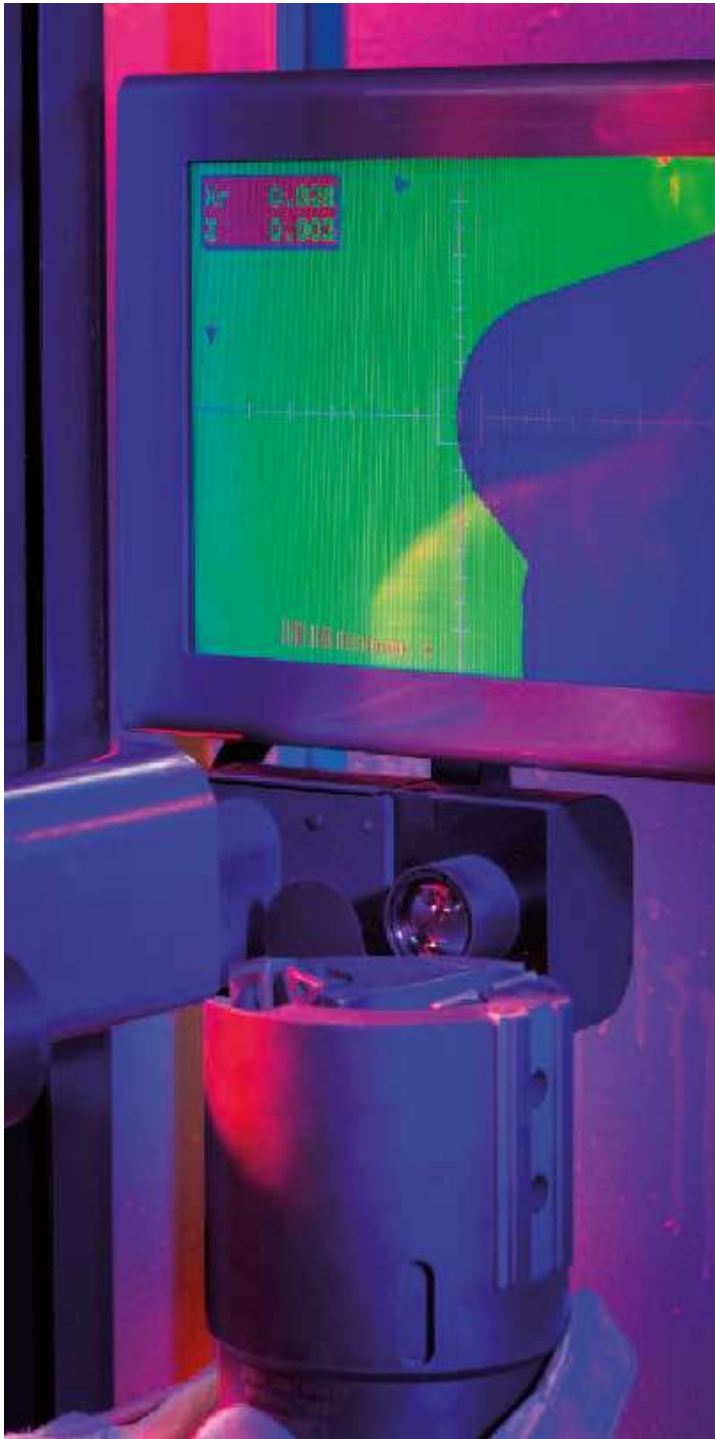


6. Don't burn cash at operating level



7. To implement a Sustainability Plan





2

Outlook

1. Short-Term
2. Medium-Term

TUBACEX
GROUP



Outlook: short - term



Main financials Q1 2021

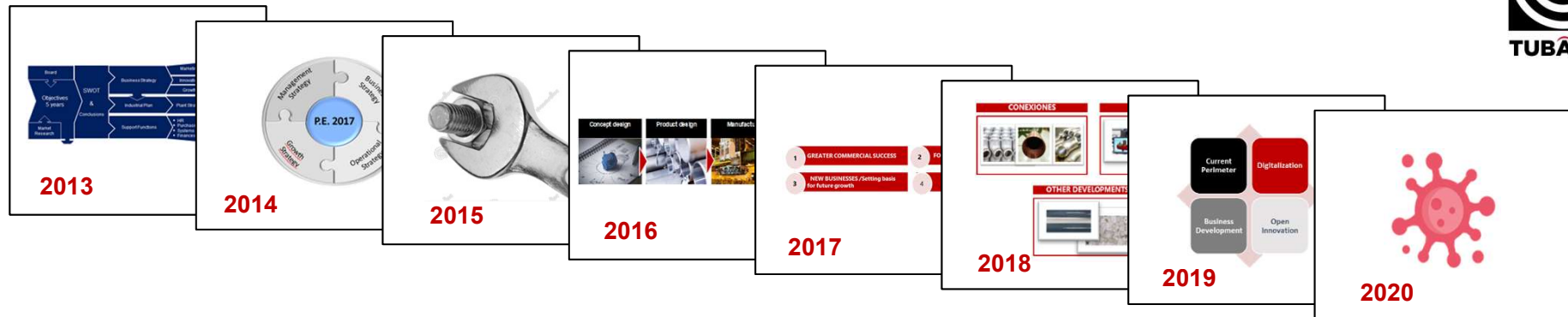
<i>Mill.€</i>	Q1 2021	Q1 2020	% Var.		Mar 2021	Dec 2020	Var. (€M)
Revenues	86.5	153.7	-44%	Net working capital	197.4	206.8	-9.4
EBITDA	0.1	12.4	-99%	Net working capital / sales	47.9%	43.1%	
EBITDA margin	0.1%	8.1%		Net Financial Debt	310.4	298.1	+12.3
EBIT	-12.6	0.4	n.m.	Net Financial Debt / EBITDA	12.0x	7.8x	
EBIT margin	neg.	0.3%		Structural Net Financial Debt⁽¹⁾	113.0	91.4	+21.6
Profit Before Taxes	-15.7	-2.9	n.m.				

n.m.:not meaningful

(1) Total Net Financial Debt – Working Capital

- The drop in orders during 2020 has resulted in a very low backlog at the beginning of 2021 that has affected Q1 2021 results and will affect Q2
- Gradual recovery of the activity in all the plants, except for Spain, which should slowly get back to normality between the second and third quarter
- 2021 to be a transition year with increasing backlog and visibility expected by the end of the year for the upcoming years

Outlook: medium - term



Previous Strategic plans based on Market recovery, premium products, diversification and comprehensive solution

New Groundbreaking Strategic Plan 2021-2025

1 <p>DIVERSIFICATION FROM OIL & GAS Reduce our exposure to Oil & Gas business increasing our current assets in renewable and mobility, and focusing on developing customer solutions for the decarbon energy market (e.g. hydrogen)</p>	2 <p>SUSTAINABILITY Maximize the resilience of our operations with a 40% sustainability by 2025 and net zero by 2040</p>	3 <p>NET DEBT REDUCTION Reduce our net debt position with clear focus on reducing our net working capital and liquidity our stock levels</p>	4 <p>REPOSITIONING TUBACEX Focus on premium segments with high added value and lower risks in specific geographies supported by our worldwide presence</p>
---	--	--	--



Post covid speeding -up



- Digitalization – electrification
- Sustainability
- Decarbonization
- Circular economy

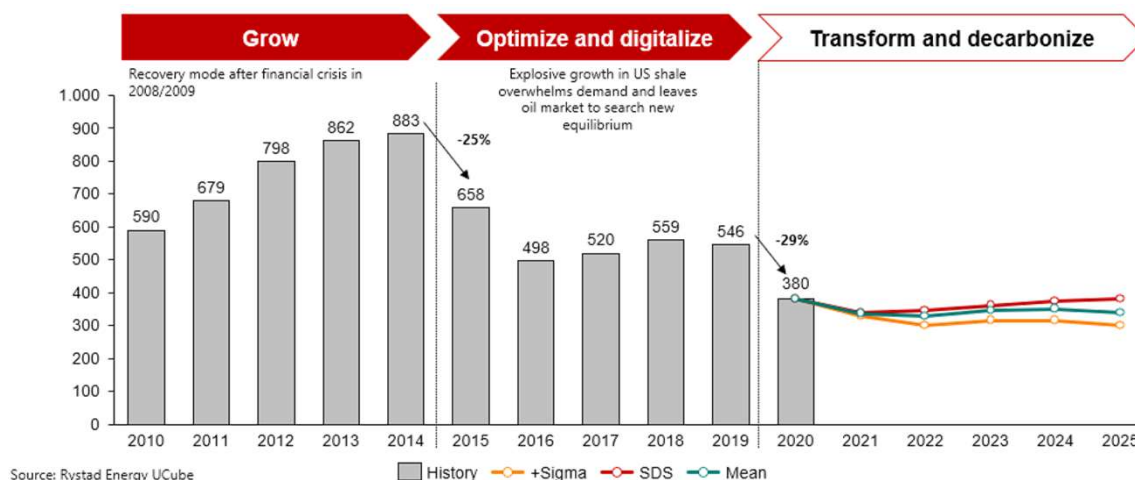
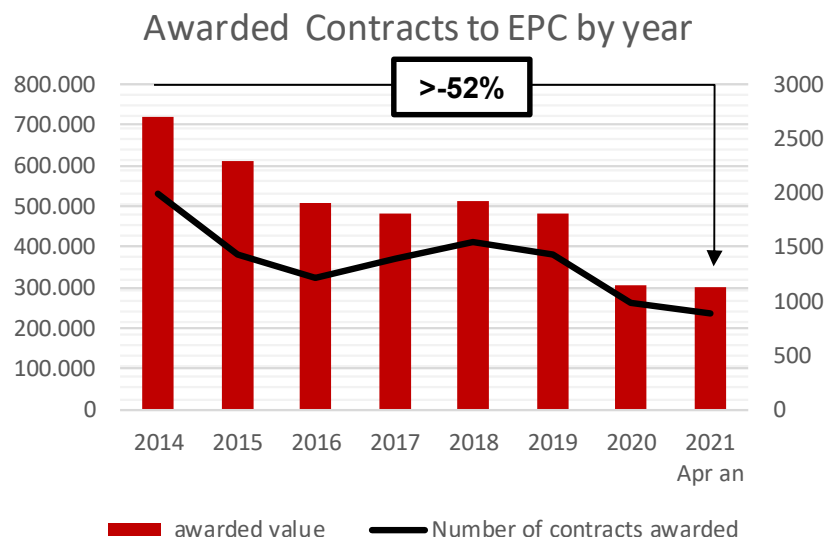


It is not another New Strategic Plan ...

Outlook: medium - term



- Clear and undeniable sector's decision to invest in new sources of energy while using Fossil Fuels as cash-cow.
- Significant reduction of CAPEX in Oil projects although gas is going to remain key for a while to support the energy transition



Necessity for TUBACEX to continue diversifying towards other sectors by reducing the weight of Oil and leveraging on good Gas perspectives in the mid-term

Outlook: medium - term



- The efforts made until 2020 allow us to focus in two axis in the short run

Market Share

- Gain market share in our most promising products and key geographical areas:
 - Gas: as the key source for the energy transition
 - Diversification towards other industries while reducing the weight of oil
 - Middle East & Brazil: unique positioning in the regions with highest exposure to gas


Profitability

- Deepen the strategy of strict cost control and cash generation
- Focus our efforts in offering a comprehensive solution
- Focus on value added services offered while reducing produced tons
- Stop being a volume producer to be a quality producer

This strategy gives us time and resources to achieve our medium term goal

We are going to reposition TUBACEX as industrial supplier of premium products in Energy and Mobility sectors

New Groundbreaking Strategic Plan's Highlights

1 

DIVERSIFICATION FROM OIL & GAS

Reduce our exposure to Oil & Gas business increasing our current sales in aerospace and mobility, and focusing on developing customized solutions for the low-carbon energy market (e.g. hydrogen)

2 

SUSTAINABILITY

Minimize the impacts of our operations with a clear commitment to **-60% emissions by 2030** and **net zero by 2050**

3 

NET DEBT REDUCTION

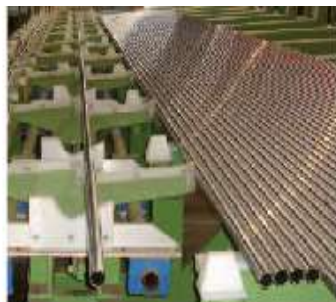
Reduce our net debt position with clear focus on adjusting our net working capital and specifically our stock levels

4 

REPOSITIONING TUBACEX

Focus on premium segments with high added value and lower tons in specific geographies supported by our worldwide presence

To create a sustainable medium-term project separated from current Oil & Gas perception



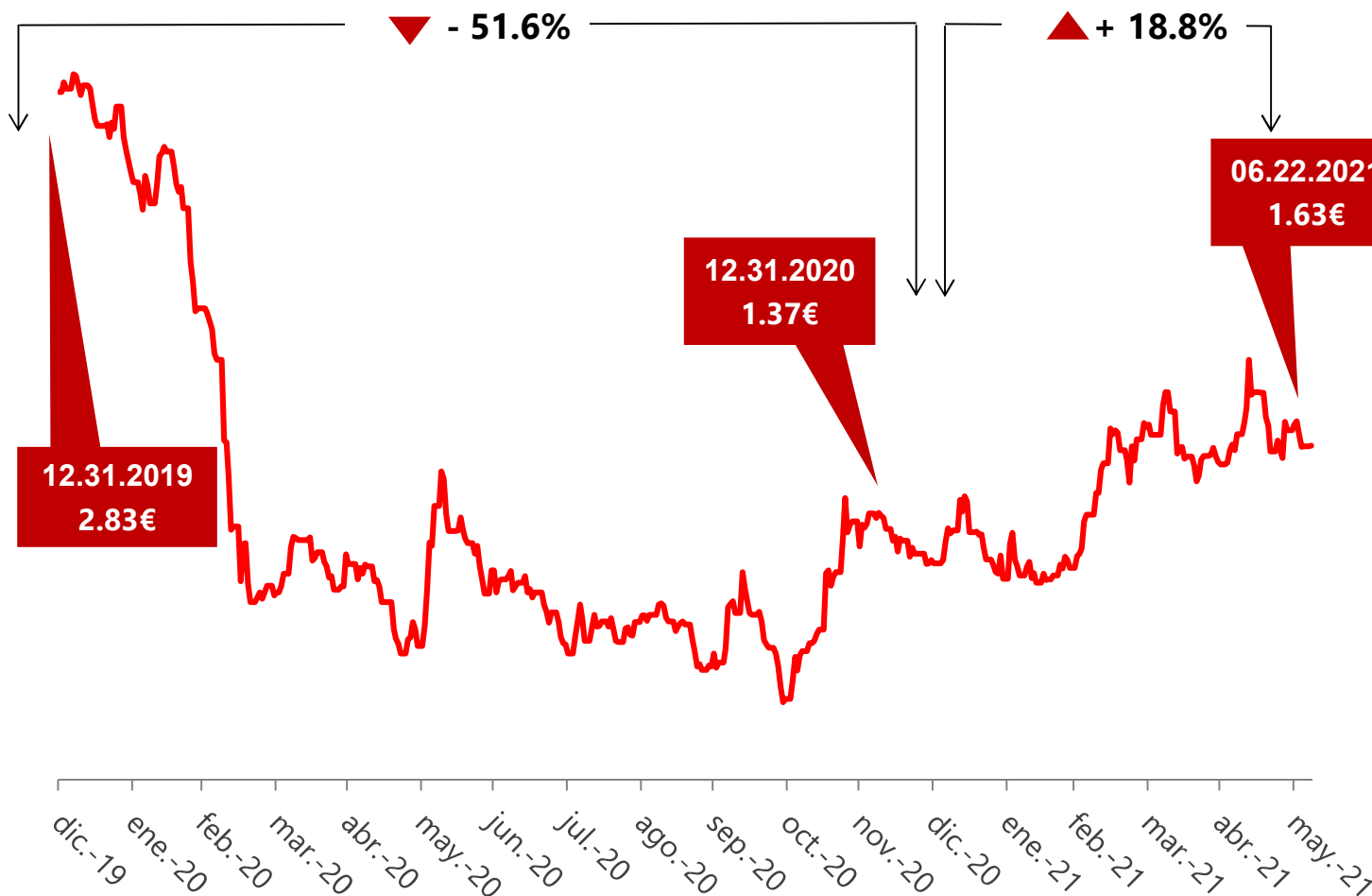
3 Stock Market

1. TUBACEX share evolution
2. Shareholding structure

Tubacex Share



Tubacex share



Key data 2020

€/share (12.31.2020)	1.37€
Market Cap (€M)	€182.2M
Minimum	0.94€ (29 Oct.)
Maximum	2.89€ (6 Jan.)
% evolution	-51.6%

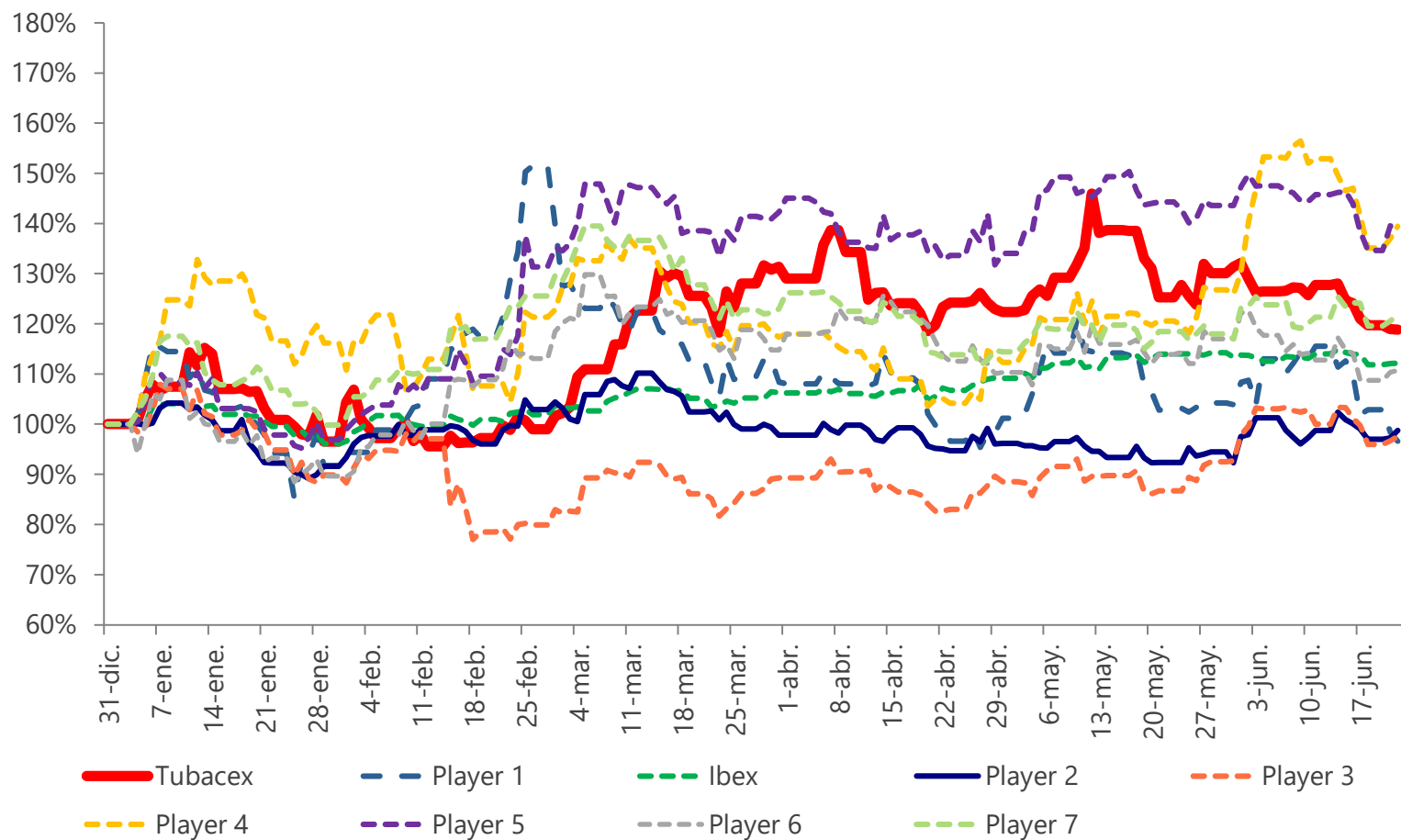
YTD 2021

€/share (06.22.2021)	1.63€
Market Cap (€M)	€216.5M

Market performance heavily affected by world pandemic but recovering in 2021

Tubacex vs. other players in 2021

Stock Market evolution

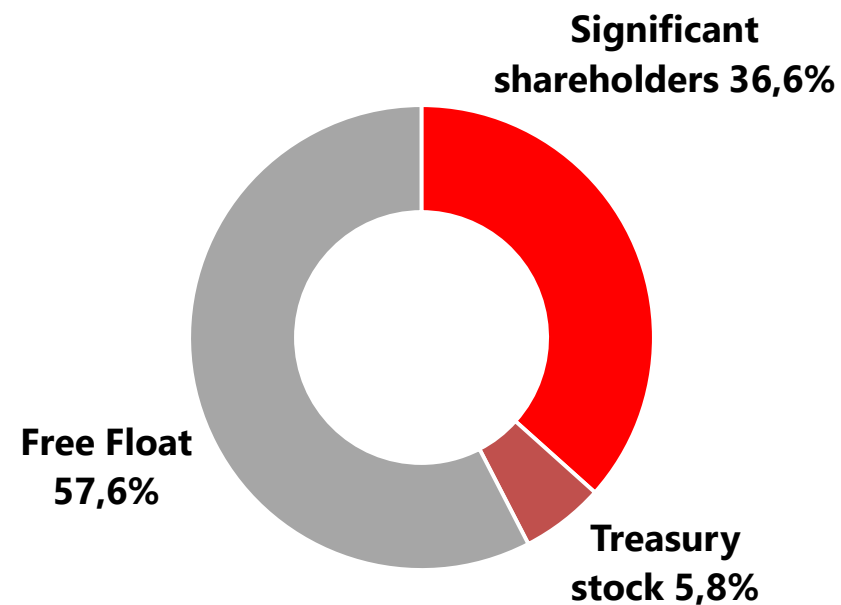


Cía	% evol.
Tubacex	+19%
Player 1	-3%
Player 2	-1%
Player 3	-2%
Player 4	+39%
Player 5	+39%
Player 6	+11%
Player 7	+22%
IBEX	+12%

Data as of 22th June 2021

Shareholding structure – significant shareholders

Shareholder	% ownership
Grupo Aristrain	11.0%
AzValor	6.2%
EDM	5.0%
Ecofin	4.9%
Itzarri	3.2%
Santalucía Seguros	3.2%
Torre Rioja	3.0%
Total	36.6%



Source: Spanish Securities Exchange Commission (CNMV) in June 2021

Stable shareholder structure fully committed with our strategic plan

THANK YOU!



TUBACEX
GROUP