

Results for the First Quarter 2021



The fall in the market has marked TUBACEX's results in the first quarter of 2021

- Sales for the first quarter of the year amounted to €86.5M, down 43.7% on the same period for the previous year and the EBITDA stood at €0.1M.
- The low backlog for the first quarter of the year has led to low levels of activity in all of the Group's divisions.
- The main sector at which TUBACEX products are aimed, Oil&Gas, is immersed in a structural crisis as a result of the transition towards energy decarbonization.
- TUBACEX is focusing its efforts on accompanying industries on their path towards decarbonization.

Llodio, May 11 2021. TUBACEX has presented its results for the first quarter of 2021 to the CNMV today, which have been characterized by a drop in demand, leading to a fall in its backlog. Sales amounted to €86.5M, down 43.7% on the same period for the previous year and the EBITDA stood at €0.1M. The result for the first quarter is a loss of €16.4M.

The CEO of TUBACEX, Jesús Esmorís, stated that “the first months of 2021 have been a challenge for TUBACEX. Efforts made in recent months in terms of cost reduction, with annual savings of more than €30 million, and increased efficiency

and diversification of products have enabled us to manage such a complicated environment”.

Financial debt has increased by €12.3M as a result of the two extraordinary events that have occurred during the first quarter of 2021. On one hand, the cash outflow related to compensation as a result of the restructuring plan that the company has been forced to implement worldwide, affecting 600 people at all of the group’s plants. This restructuring has been necessary in order to adapt not only to the extraordinary events of the pandemic, but also the crisis derived from the sector’s structural change. The main sector at which TUBACEX products are aimed, Oil&Gas, is immersed in a structural crisis as a result of the transition towards energy decarbonization. On the other hand, the final phase of the acquisition of the minority stake in Tubacex Prakash, which commenced 6 years ago, has been completed. Therefore, the net financial debt stands at €310.4M at the close of the first quarter of the year, which, combined with the extremely low EBITDA due to the current circumstances has led to the debt ratio standing at 12x.

It is worth remembering the successful financial restructuring plan implemented by TUBACEX in 2020, which focused on extending the debt maturity and the strong cash position. The Group maintains a cash position of €189.6M and liquidity in excess of €265M, which guarantees the soundness of the Balance Sheet and covers the maturity of loans until 2025.

Jesús Esmorís foresees a second quarter similar that of the first quarter, although he considers that “our production units are gradually increasing their levels of activity and should slowly get back to normality, with the exception of the Spanish plants, which are currently on strike”.

TUBACEX is focusing its efforts on accompanying industries on their path towards decarbonization. The company supplies advanced solutions that reduce by up to 40% CO2 emissions in conventional energy sector processes. It is also targeting part of its sales at the nuclear industry, which is backed by international

associations and is growing as a complementary source of electricity, along with renewable energies.

Key Financial Figures

Financial figures

€M	1Q 2021	1Q 2020	change %
Sales	86.5	153.7	-43.7%
EBITDA	0.1	12.4	-99.4%
EBITDA margin	0.1%	8.1%	
EBIT	(12.6)	0.4	n.m.
EBIT margin	neg.	0.3%	
Profit before taxes	(15.7)	(2.9)	n.m.
Margin	neg.	neg.	

	2021.03.31	2020.12.31
Equity Attributable to the Parent	226.9	240.9
Equity / Net Financial Debt	73.1%	80.8%
Working Capital	197.4	206.8
Working Capital / Sales	47.9%	43.1%
Structural Net Financial Debt ⁽¹⁾	113.0	91.4
Total Net Financial Debt	310.4	298.1
NFD/ EBITDA	12.0x	7.8x

neg.: negative

n.m.: not meaningful

(1) Total Net Financial Debt - Working Capital

About TUBACEX

TUBACEX is a multinational group with its headquarters in Alava and a global leader in the manufacture of stainless steel and high-alloyed tubular products (tubes and accessories). It also offers a wide range of services from the design of tailored solutions to installation and maintenance operations.

It has production plants in Spain, Austria, Italy, the United States, India and Thailand, as well as Saudi Arabia, Dubai, Norway, Canada and Singapore

through the NTS Group, worldwide service centers and sales offices in 38 countries.

The main demand segments for the tubes manufactured by TUBACEX are the oil and gas, petrochemical, chemical and power generation industries.

TUBACEX has been listed on the Spanish Stock Market since 1970 and is part of the "IBEX SMALL CAPS" Index. www.TUBACEX.com