

RESULTS RELEASE

NINE MONTHS 2024

NOVEMBER 2024

TUBACEX
GROUP

MAIN CONSIDERATIONS

GRADUAL IMPROVEMENT IN RESULTS AND GROWTH TREND

- **Tubacex has closed the strategic agreement with Mubadala Investment on November 31st, resulting in a cash inflow of 182.1 million euros, equivalent to 41.1 % of the Group's net financial debt**
- The third quarter results show the **gradual improvement of the year**, in line with what was anticipated in previous results, and despite the seasonality of this quarter, they mark the highest quarterly EBITDA figure of the year, with an **EBITDA of €28M and a margin of 16.4%**
- In the first nine months of the year, Tubacex achieved **sales of €569.1M with an EBITDA of €78.1M and a margin of 13.7%**. We expect the quarterly improvement trend to continue in the last quarter of the year
- This year's results continue to be affected by extraordinary factors derived from the ADNOC project, such as the start of product manufacturing in the Spanish factories and the investment required for the construction of the Abu Dhabi factory, which will be commissioned in November
- **Net financial debt**, which stood at €442.8M at the end of September and includes an investment in Abu Dhabi of €48.2M and an increase of €94.0M in working capital, now stands at **€260.7M after collection of the Mubadala transaction**
- The **backlog** remains around €1.6 billion, with a book-to-bill ratio of 1.0x and a very high concentration in high value-added products thanks to the increase in market share in strategic products despite a complex market environment
- During the third quarter of the year, a **strategic contract was closed with Petrobras for €64.5M** for the supply of OCTG in CRA and new awards are expected in the coming months, consolidating Tubacex's leadership position in premium solutions for gas extraction



MANUFACTURE OF THE ADNOC ORDER HAS COMMENCED (\$1B)



CLOSING AND COLLECTION OF STRATEGIC AGREEMENT WITH MUBADALA INVESTMENT TO BOOST OCTG BUSINESS



THE BACKLOG IS CONSOLIDATED AT HISTORIC LEVELS



PROMISING START FOR LOW CARBON SOLUTIONS



GROWING RESULTS IN THE COMING QUARTERS

The closing of the strategic agreement with Mubadala Investment and the start-up of the Abu Dhabi plant lay the foundations for a significant growth in results in 2025 and 2026 and the fulfillment of the NT2 2027 strategic plan

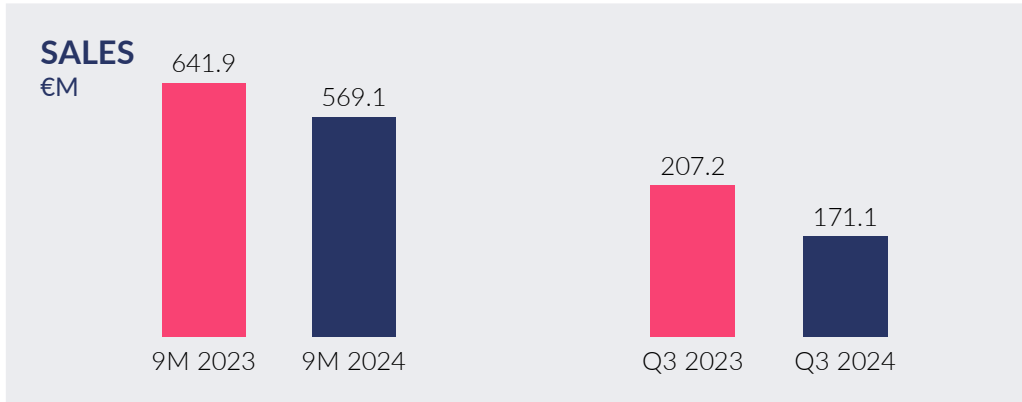
MAIN FINANCIAL FIGURES

	(€M)					
	9M 2024	9M 2023	% Var.	Q3 2024	Q3 2023	% Var.
Sales	569.1	641.9	-11.4%	171.1	207.2	-17.4%
EBITDA	78.1	93.8	-16.8%	28.0	29.5	-5.0%
EBITDA Margin	13.7%	14.6%		16.4%	14.2%	
EBIT	45.8	60.6	-24.5%	18.3	19.6	-6.3%
EBIT Margin	8.0%	9.4%		10.7%	9.4%	
Earnings Before Taxes	18.2	38.9	-53.4%	8.9	11.0	-18.6%
Margin	3.2%	6.1%		5.2%	5.3%	
Net Profit	14.2	27.8	-48.9%	7.7	7.8	-0.6%
Net Margin	2.5%	4.3%		4.5%	3.8%	
				Post Mubadala Closing Estimate		
	Sept. 24	Dec. 23	Var. (€M)	Sept. 24	Dec. 23	Var. (€M)
Working Capital	328.4	234.5	+94.0			
Working Capital / Sales	42.1%	27.5%				
Net Financial Debt	442.8	280.7	+162.1 ⁽¹⁾	260.7	280.7	-20.0
Net Financial Debt/ EBITDA				2.4x	2.2x	
Structural Net Financial Debt ⁽²⁾				(67.7)	46.2	-114.0

(1) Capex in Abu Dhabi to date amounts to €48.2M

(2) Net Financial Debt - Working Capital

MAIN FIGURES FROM THE **INCOME STATEMENT**



- ✓ The **sales figure** for the first nine months of the year stood at **€569.1M**, below the figure reached in the same period 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 nine months of 2024 was 25.1% lower than the average price in the same period of the previous year
 - Increase of €28.2M in **stocks** to be invoiced in the coming quarters
 - Despite the difficult market environment, **Tubacex is increasing its market share**, especially in higher value-added products

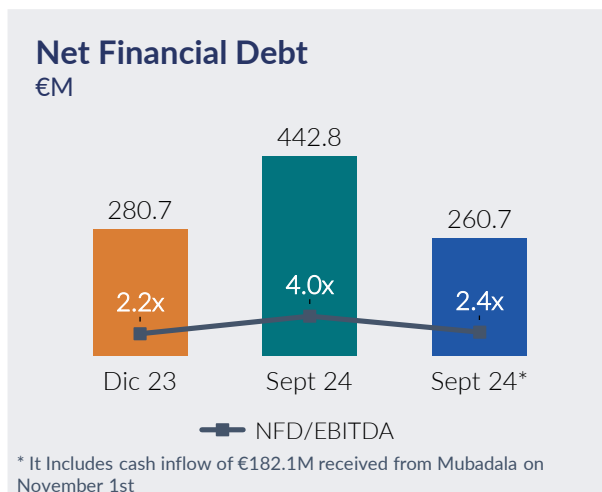
✓ The effect of the increase in semi-finished and finished products pending invoicing, which will have a positive impact on the margin, is also reflected in the EBITDA figure, which amounted to €78.1M

✓ The **EBITDA margin** for the first nine months of the year stood at 13.7%, and quarterly margin stands at 16.4%, in line with strategic objectives

✓ The **trend of progressive improvement** in results can be seen in the quarterly evolution of EBITDA, which in the **third quarter** was the best of the year with **28.0M€ and a margin of 16.4%**, despite the seasonal nature of the quarter, thanks to the Company's strategic positioning

✓ **In the coming quarters**, given the current backlog, this trend of **progressive improvement** in both **revenue and EBITDA** is expected to continue

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



- ✓ **Tubacex has closed the strategic agreement with Mubadala Investment on November 1st, resulting in a cash inflow of 182.1 million euros**
- ✓ With this cash inflow, the **net financial debt**, which stood at €442.8M at the end of September, is now **€260.7M** and the company's **structural net financial debt⁽¹⁾** is now in a **net cash position**

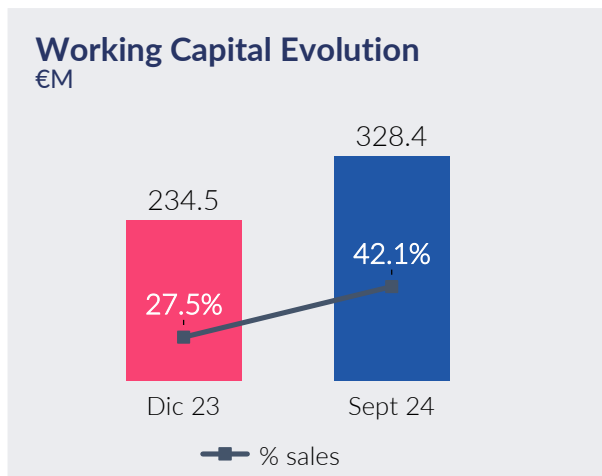
- ✓ TUBACEX is building a new OCTG tube finishing and threading plant in **Abu Dhabi**, as part of the major \$1,000M project, whereby operations will commence later this year
 - **Investment** to date in this plant amounts to **€48.2M**
- ✓ In addition, there has been **strategic investment in new products manufacturing** for the NTS/AW Group and the purchase of a minority stake
- ✓ Both investments ensure TUBACEX's **differential competitive position in the Middle East**

- ✓ The third quarter also saw a **cash outflow of €14.5 million** as a result of the payment of the **ordinary dividend** against 2023 results

- ✓ The current net financial debt over EBITDA ratio amounts to 2.4x
- ✓ **The company maintains the same strategic objective as the NT2 Plan 2023 - 2027:** namely to keep debt below 2x

- ✓ 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
- ✓ The kick-off of the ADNOC Project with its investments in equipment and working capital is causing, as expected, a significant increase in debt. Starting to invoice this project in 2025 will result in a **further deleveraging**

- ✓ Following the closing of the agreement with Mubadala, **Tubacex reinforces its financial strength** with €321.7M in cash and liquidity of €370M



(1) Net Financial Debt - Working Capital

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)

The strategy of diversification into different sectors has proven successful in reducing the Group's cyclicality

UPSTREAM GAS IN ASIA AND THE MIDDLE EAST

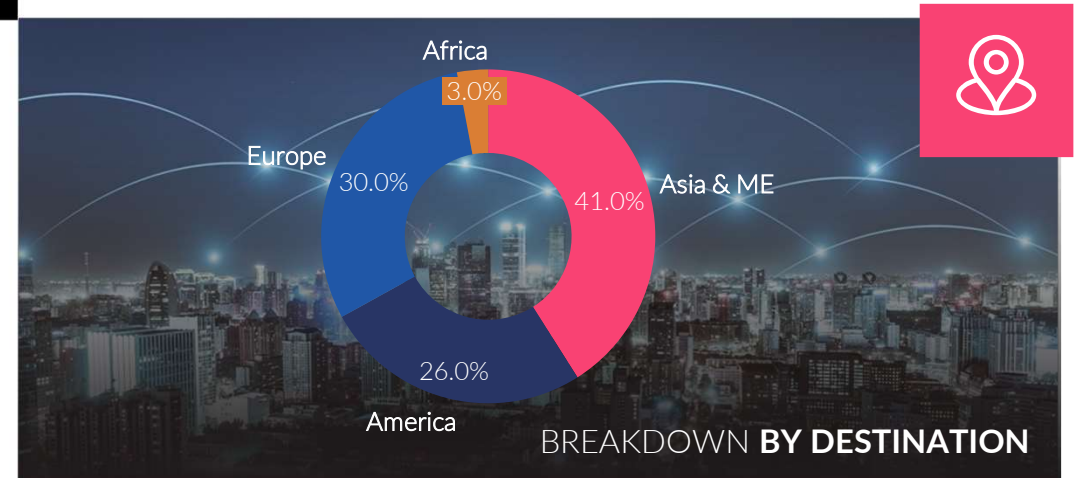
The Group's sales maintain significant weight in the Gas Upstream sector and the Asian and Middle East region, in line with the strategic objectives

PREMIUM PRODUCTS

Good positioning with key customers and the strategy of signing long-term agreements are allowing us to maintain a high-margin portfolio level in strategic products

ORDER INTAKE

Very good figures in high value-added products, with a clearly better performance than the traditional product affected by greater weakness throughout the year
 New strategic contract with Petrobras, consolidating Tubacex's leadership in premium gas extraction solutions
 Significant pipeline of project awards expected for the coming quarters, reinforcing the Group's visibility



BACKLOG EVOLUTION

ROBUST SITUATION OF THE BACKLOG



Book-to-bill ratio

TOTAL BACKLOG INCLUDING
ADNOC'S PROJECT

≈1,600M€

9M 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 provides **visibility over the next quarter and over the year 2025**, enabling us to anticipate a significant growth in results

COMMERCIAL REMARKS (I) E&P OIL&GAS



UPSTREAM



▪ OCTG

- Tubacex has secured **€64.5 Million Strategic Contract with Petrobras**, Enhancing its Global Leadership in Premium Gas Extraction Solutions
- Tubacex continues to advance in the establishment of world class manufacturing and service facilities to support its long term presence with **Adnoc**, in the UAE
- **Tender activity remains consistent in other areas**, including Kuwait, Qatar, and the Caspian
- Tubacex continues to strengthen its positioning **as leading provider of comprehensive solutions in the CRA OCTG sector**

▪ Drilling

- While demand in the Middle East remains stable, there is some slowdown in decision making, especially in the United States
- Despite this, the outlook remains very positive for the next 2-3 years, especially in the Middle East and the North Sea



OFFSHORE



▪ SURF

- **Intense activity in the number of bids** and it is expected a high level of awards during the latter part of the year
- We keep our **umbilicals backlog at more than 12 months**

▪ Offshore

- Record turnover in this segment as a result of the large projects awarded last year
- The market in Norway remains strong
- Good rhythm is maintained in FPSO awards

COMMERCIAL REMARKS (II) INDUSTRIAL & POWERGEN



INDUSTRIAL



- The industrial sector continues to account for a major part of Tubacex's sales
- **High nickel alloys and ceramic-coated tubes** have maintained high levels of profitability
- The **distribution sector** is the most exposed to the cycle and is therefore experiencing greater weakness throughout the year
- 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 Ultra Supercritical PowerGen** segment
Orders in China and India for thermal plants with low emission technologies
- Strong demand from the **European nuclear Industry**
EDF is still the main customer
Maintenance and refurbishing of its fleet and with plans to extend their lives to 60 years
- **Good perspectives for conventional nuclear energy**
Announced projects by EDF and Westinghouse
- **Strong perspectives for Small Modular Reactors (SMRs)** in the long run
Under qualification process with several designers
Early engagement with GE and Rolls Royce in engineering of long lead items

COMMERCIAL REMARKS (III) LOW CARBON & NEW BUSINESESS



LOW CARBON



- **Carbon Capture**
 - Some slowdown in bidding activity in the USA (the most dynamic region to date) due to delays in the execution of operators' projects as a result of delays in approvals
 - Good positioning in various projects in the USA, North Sea and Middle East
- **Hydrogen**
 - First major order for an electrolyzer plant in Spain
- **Fertilizer & Ammonia**
 - SBER got the first Uremium 29 order in India, a special alloy specially crafted for the most demanding high-pressure sections of Urea plants
 - Ammonia demand expected to surge in both traditional fertilizer applications and emerging clean energy technologies, being a versatile hydrogen carrier
- **Circular Economy**
 - Growing demand for the Tubacoat solution for refineries worldwide to solve fouling problems

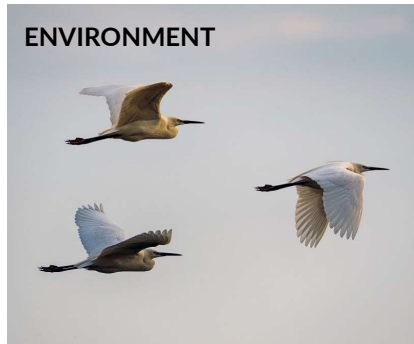


NEW BUSINESESS



- Good positioning in the **Aerospace** and **Space Exploration** sectors, with the signing of long-term agreements that foresee growth in the coming years
 - In commercial aerospace activity continues to be strong and our bookings have reached record figures for the first nine months of 2024
 - In Space Exploration our long-term agreements continue with sustained activity
- Tubacex India has successfully manufactured its first tubes for **the semiconductor industry**
- Increase in Tubacex's capabilities in the **Hydraulic & Instrumentation** segment with good prospects, especially in hydrogen applications with orders on hand through Salem Tube

MAIN ESG KPIs



	Indicator	Ud.	2019*	9M 2024	Goal 2030
ENERGY & CLIMATE	Energy Intensity ⁽¹⁾	Mwh/ GAV	2.85	1.54	2.13
	Scope 1 y 2 Emissions intensity ⁽²⁾	Ton CO ₂ / GAV	0.70	0.24	0.28
	% Renewable Energy	% total energy	0%	33.2%	40%
CIRCULAR ECONOMY	Waste recycled	% total generated	60.5%	83.4%	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	32.8	25
	Severity Rate Evolution	2019 Basis	100	37.5	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

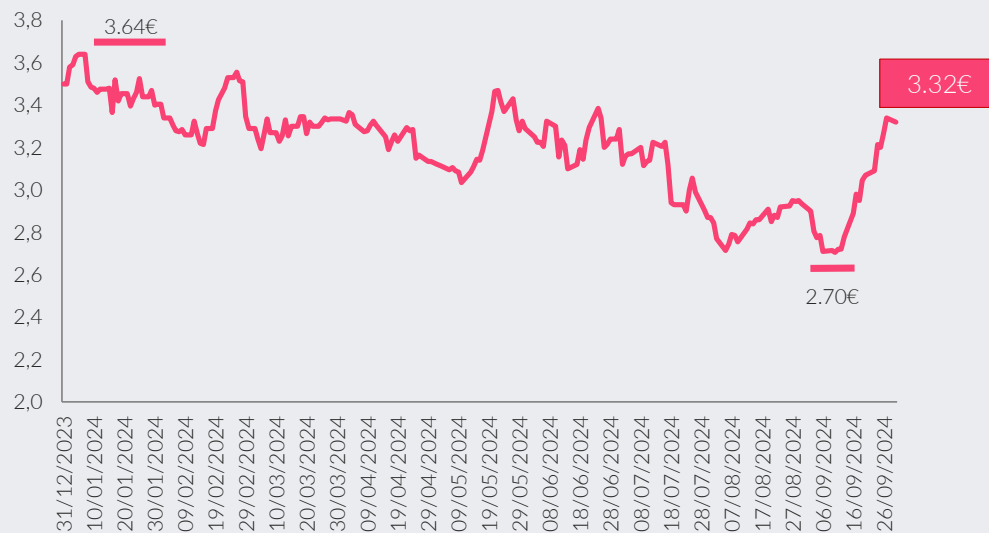
GAV: Gross Added Value (€k)

STOCK INFORMATION

GROWTH POTENTIAL

Stock Evolution

€/share



SIGNIFICANT **GROWTH POTENTIAL** ACCORDING TO MARKET CONSENSUS



Key Data

# shares outstanding	126,549,251
€/share (09.30.24)	3.32€
Market Cap. (M€)	420.1M€
% evolution	-5.1%
Maximum	3.64€ (Jan. 5)
Minimum	2.705€ (Sept. 10)
Average Target Price ⁽¹⁾	4.89€

Source: Bolsas y Mercados

1) Average target Price on 30th September according to Market consensus

CLOSING OF THE 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 Company 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 \$200 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

CLOSING OF THE DEAL

The closing of the transaction and its collection took place on November 1st



CONCLUSIONS

GROWTH PROSPECTS OVER THE COMING QUARTERS



ACTIVATION OF THE ADNOC PROJECT

Manufacture of materials for the ADNOC project has commenced
This project will have a significant impact on results and margins in the next fiscal year.



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
Strategic positioning as a key partner in Brazil's offshore industry



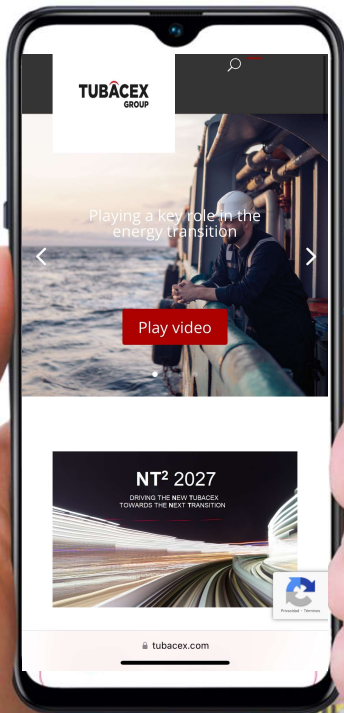
STRATEGIC AGREEMENT

Strategic agreement with Mubadala Investment Company to boost OCTG business



VISIBILITY

Gradual increase in turnover and margins over the coming quarters



Play video

NT² 2027

DRIVING THE NEW TUBACEX
TOWARDS THE NEXT TRANSITION

@ tubacex.com



NEW STRATEGIC PLAN

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 macro trends 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
GROUP

CONSOLIDATED INCOME STATEMENT

DETAIL

€M	9M 2023	9M 2024	% var.	Q3 2023	Q3 2024	% var.
Sales	641.9	569.1	-11.4%	207.2	171.1	-17.4%
Change in inventories	20.8	38.2	83.4%	(16.8)	7.2	n.m.
Other income	10.9	10.2	-6.5%	3.1	2.9	-6.5%
Cost of materials	(293.1)	(264.9)	-9.6%	(83.0)	(77.6)	-6.5%
Personnel expenses	(116.5)	(117.1)	-0.6%	(33.7)	(35.2)	4.6%
Other operating costs	(170.3)	(157.4)	-7.6%	(47.4)	(40.3)	-14.9%
EBITDA	93.8	78.1	-16.8%	29.5	28.0	-5.0%
EBITDA Margin	14.6%	13.7%		14.2%	16.4%	
Depreciation & Amortization	(33.2)	(32.2)	-2.7%	(9.9)	(9.7)	-2.3%
EBIT	60.6	45.8	-24.5%	19.6	18.3	-6.3%
EBIT Margin	9.4%	8.0%		9.4%	10.7%	
Financial Results and FX	(21.7)	(27.6)	27.5%	(8.6)	(9.4)	9.3%
Profit Before Taxes and Min	38.9	18.2	-53.4%	11.0	8.9	-18.6%
Margin	6.1%	3.2%		5.3%	5.2%	
Net Profit	27.8	14.2	-48.9%	7.8	7.7	-0.6%
Net Margin	4.3%	2.5%		3.8%	4.5%	

n.m.: not meaningful

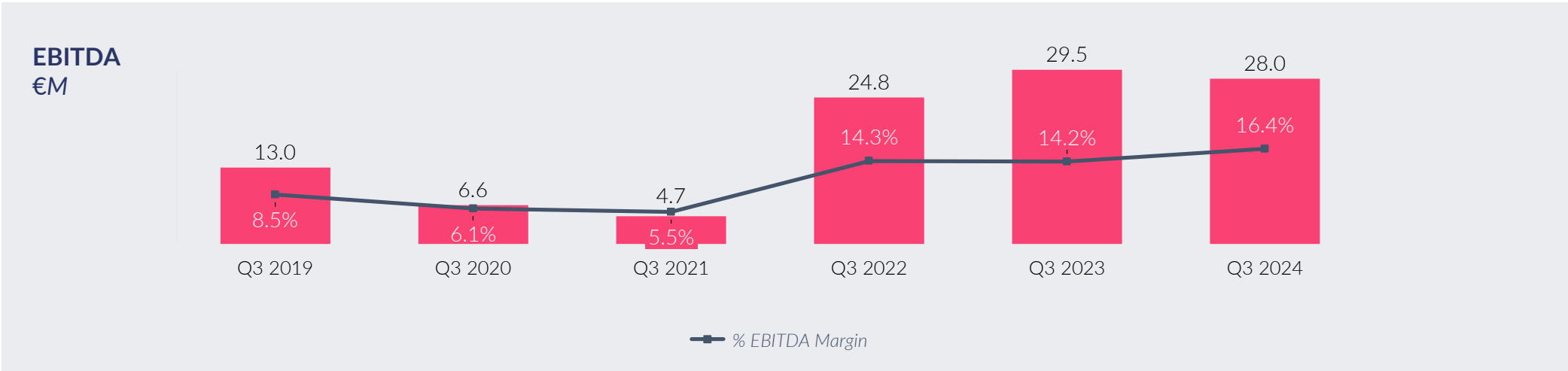
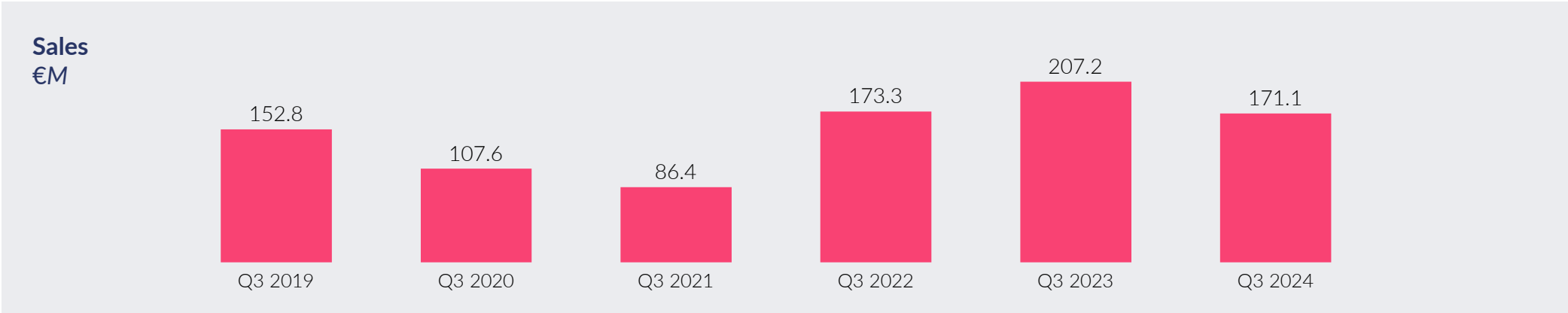
CONSOLIDATED BALANCE SHEET

DETAIL

(€M)	31/12/23	30/09/24	%var.
Intangible assets	112.6	114.3	1.6%
Tangible assets	306.7	326.1	6.3%
Financial assets	99.1	99.2	0.1%
Non-current assets	518.3	539.7	4.1%
Inventories	411.1	439.3	6.9%
Receivables	74.2	91.7	23.5%
Other account receivables	22.1	32.0	45.2%
Other current assets	3.7	4.9	32.3%
Derivative financial instruments	3.1	1.2	-60.6%
Cash & equivalents	179.0	139.2	-22.3%
Current assets	693.2	708.2	2.2%
TOTAL ASSETS	1,211.5	1,247.9	3.0%

(€M)	31/12/23	30/09/24	%var.
Equity, Group Share	240.0	236.1	-1.6%
Minority interests	53.6	53.8	0.4%
Equity	293.6	289.9	-1.3%
Interest-bearing debt	124.3	164.3	32.2%
Provisions and others	82.2	78.7	-4.2%
Non-current liabilities	206.5	243.0	17.7%
Interest-bearing debt	335.5	417.7	24.5%
Derivative financial instruments	1.5	1.3	-9.4%
Trade and other payables	250.9	202.5	-19.3%
Other current liabilities	123.5	93.5	-24.3%
Current liabilities	711.4	715.0	0.5%
TOTAL EQUITY & LIABILITIES	1,211.5	1,247.9	3.0%

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

The logo for TUBACEX GROUP is centered on the page. It features the word "TUBACEX" in a bold, white, sans-serif font, with a small red arc above the letter "A". Below "TUBACEX" is the word "GROUP" in a smaller, white, sans-serif font. The background is a dark, abstract image with a grid of small, glowing blue and purple dots, creating a sense of depth and technology.

TUBACEX
GROUP