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## Press Release

### Tubacex Announces First Half 2024 Results

# Tubacex Completes First Half of the Year with Abu Dhabi Project Launch and Strategic Partnership with Mubadala for Global OCTG Expansion

## Two Milestones that Structurally Reinforce the Expected Results for the NT2 Strategic Plan

- **ADNOC Mega Contract:** The first half of the year has seen the launch of the mega contract with ADNOC, with the reception of the first orders and the commencement of product manufacturing in Spanish factories.
- **New Abu Dhabi Plant:** Tubacex is finalizing the start-up of the new CRA OCTG finishing and threading plant in Abu Dhabi, which will begin operations at the end of 2024 to execute the contract.
- **Historic Agreement with Mubadala:** The company also closed a historic agreement with Mubadala Investment during this period to boost the OCTG business. This agreement will result in a cash inflow of €180 million in the last quarter of 2024.
- **Order Book:** The order book remains around €1.6 billion, matching the record levels at the end of 2023, with a very high concentration of high-value-added products and an increasing importance of Low Carbon solutions.
- **Financial Performance:** The first half of 2024 concluded with sales of €398 million, an EBITDA of €50.1 million, and an EBITDA margin of 12.6%. The semi-annual results were affected by extraordinary factors derived from the start of the ADNOC project and the launch of the Abu Dhabi plant.
- **Strategic Plan Goals:** Tubacex reaffirms its objectives established in the NT2 Strategic Plan announced in November of last year, aiming to achieve sales of between €1.2 billion and €1.4 billion and an EBITDA exceeding €200 million by 2027.

**Bilbao, July 24, 2024** – Tubacex Group has concluded the first half of 2024 with consolidated sales of €398 million. This period has seen the Group making significant efforts in the implementation of investments in CAPEX and working capital linked to clients and strategic projects. While consolidating its annual results, Tubacex is ensuring the figures it will achieve in 2025 and 2026, meeting the targets of the NT2 Strategic Plan, with a final horizon in 2027.

As of June 30, 2024, the accumulated EBITDA reached €50.1 million, with an EBITDA margin of 12.6%, which is expected to increase in the coming quarters. The profit before taxes and minority interests at the end of the period stands at €9.2 million.

Despite the complex macroeconomic and geopolitical environment, all Group businesses contribute satisfactorily to the result achieved by the Group, reinforcing Tubacex's role as a key player not only in the energy transition but also in ensuring energy supply.

Looking ahead to the full year of 2024, the outlook is positive. A stronger second half is anticipated, both in terms of revenue and EBITDA margin, with 2025 expected to be highly expansive. Meanwhile, order intake remains at very high levels, both in volume and margin, which allows the order book to remain at €1.6 billion (the same levels as the end of 2023) and ensures business visibility in future periods. The order book is highly concentrated in high-value-added products with an increasing importance of Low Carbon solutions.

#### **CEO's Statement:**

Jesús Esmorís, CEO of Tubacex, stated, "With the results presented to the investor community today, the Group closes the first half with a historically consolidated order book. We remain cautious but optimistic for the full year, which is set to improve progressively. With the current environment, 2024 should be a year of consolidation for the Group's new positioning, with significant growth prospects for the next two years. It is also important to highlight the relevance of the ADNOC mega contract, which saw the first order received at the beginning of 2024, marking a crucial milestone for the project."

## MAIN FINANCIAL FIGURES

(€M)	H1 2023	H1 2024	% Var.	Q2 2023	Q2 2024	% Var.
Sales	434.8	398.0	-8.5%	202.5	211.4	4.4%
EBITDA	64.3	50.1	-22.2%	33.9	25.1	-25.9%
EBITDA Margin	14.8%	12.6%		16.7%	11.9%	
EBIT	41.0	27.4	-33.1%	22.3	13.9	-37.6%
EBIT Margin	9.4%	6.9%		11.0%	6.6%	
Earnings Before Taxes	27.9	9.2	-67.0%	15.2	4.4	-71.2%
Margin	6.4%	2.3%		7.5%	2.1%	
Net Profit	20.0	6.5	-67.7%	10.1	3.4	-66.2%
Net Margin	4.6%	1.6%		5.0%	1.6%	

  

	Dec. 23	Jun. 24	Var. (M€)
Working Capital	234.5	321.0	+86.5
Working Capital / Sales	27.5%	39.4%	
Net Financial Debt	280.7	395.3	+114.6
Net Financial Debt/ EBITDA	2.2x	3.6x	
Structural Net Financial Debt <sup>(1)</sup>	46.2	74.3	+28.1

**Pro Forma Net Financial Debt**

- The capital inflow of €180M expected in the last quarter of the year as a result of the agreement with Mubadala Investment Company, represents Pro Forma Net Financial Debt of €215.3M (1.9x EBITDA)

(1) Net Financial Debt - Working Capital

H1 2024 RESULTS / PAG. 1

TUBACEX  
GROUP

## Financial Strength: Enhancing Liquidity and Cash Position

At the end of the first half of 2024, Tubacex's Net Financial Debt (NFD) stands at €395.3 million, including the investment in the Abu Dhabi plant (€38.5 million) and an increase in working capital (€86.5 million). These parameters are linked to the expected increases in revenue and profitability in subsequent periods. The Mubadala agreement will bring a €180 million cash inflow in the last quarter of 2024, resulting in a pro forma NFD of around €215 million, with a debt-to-EBITDA ratio slightly below 2 times, aligning with the NT2 2023-2027 Strategic Plan objectives. The Group's financial strength is further supported by a liquidity position of €222 million and cash holdings of €141.4 million.

## Mubadala's Entry into the OCTG Business

In mid-May, Tubacex announced the entry of Mubadala Investment Company as a new strategic partner in its OCTG business. The agreement involves Mubadala acquiring a 49% minority stake in this business for \$195 million. This investment will strengthen Tubacex's positioning and commercial capabilities in the CRA OCTG sector in the Middle East, the world's fastest-growing market for this technology.

This strategic partnership is part of Tubacex's NT2 (New Tubacex in the Next Transition) plan, which aims to achieve an EBITDA of €200 million and revenues of €1.2 billion to €1.4 billion

by 2027. Tubacex anticipates generating around €350 million in CRA OCTG revenues in 2025/2026, compared to €150 million in 2023. The CRA OCTG segment is experiencing rapid growth, driven by the region's need for tubular solutions for gas extraction, supporting internal energy demand, facilitating the energy transition, and establishing Abu Dhabi as a global gas export hub.

### **About Tubacex**

Tubacex is a global leader in the design, manufacture, and installation of advanced industrial products and high-value-added services for the energy and mobility sectors. Committed to innovation and excellence, Tubacex's fully integrated production model spans from research and development to final product delivery and maintenance services. This integration ensures cutting-edge technology, superior quality, and a focus on sustainability and circularity, setting industry standards. Tubacex specializes in advanced materials, including corrosion-resistant alloys (CRA), and advanced machining services. With production facilities and service centers in over 30 countries, Tubacex delivers value worldwide, validated by top ESG certification authorities, adherence to Science-Based Targets for emission reduction, and compliance with S&P sustainability criteria. [www.tubacex.com](http://www.tubacex.com)

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