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Press Release: 2024 Financial Results

Tubacex Lays the Foundations for Significant Business Growth in 2025

After closing 2024 with the second-highest EBITDA in its history, record figures are expected in 2025 for the main financial metrics, driven by the full operation of the Abu Dhabi plant and ADNOC's $1 billion order.

In a year of progressive growth, the Group recorded a net profit of €8.7 million in the fourth quarter of 2024, marking a 1.6% improvement compared to the same period in 2023.

The company will propose the distribution of a €25 million dividend at the 2025 Shareholders' Meeting.

- Throughout 2024, Tubacex secured a strategic partnership with **Mubadala Investment**, marking its entry into the company's OCTG business. Additionally, it reinforced its **long-term collaboration with Petrobras** for CRA OCTG solutions, commenced production for the **ADNOC contract,** launched **Sentinel Prime**, an innovative premium connection technology, and further strengthened its **leadership in the umbilical tube segment.**
- **The company closed the year with a net financial debt (NFD) of €256 million, maintaining an NFD/EBITDA ratio of 2.4x**, in line with its strategic objectives. **Debt levels remain closely tied to working capital**, primarily consisting of inventory and secured project orders.
- Tubacex closed the year with **total sales of €767.5 million**, an **EBITDA of €107 million**, representing an **EBITDA margin of 13.9%**, and a **net profit of €22.9 million**. The **accumulated EBITDA marks the second highest in the company's history**, reinforcing its strategic positioning and resilience in a complex market environment.
- **The company demonstrated quarter-over-quarter growth,** culminating in the highest quarterly EBITDA of the year in Q4, reaching €28.9 million, with an EBITDA margin of 14.6%.

- **The order backlog remains at record levels, standing at approximately €1.6 billion**, with a high concentration in high-value-added products, providing strong visibility for future revenue streams.
- **Tubacex reaffirms its 2027 strategic objectives, targeting sales between €1.2 billion and €1.4 billion, an EBITDA exceeding €200 million, and maintaining an NFD/EBITDA ratio below 2x.**
- **The Board of Directors has proposed the distribution of a total gross dividend amounting to 25 million euros, which implies maintaining the commitment to a payout ratio of between 30-40% and adding an extraordinary dividend of 15 million euros.**

Bilbao, February 28th, 2025.– Tubacex closed 2024 with **consolidated sales of €767.5 million**, reflecting a temporary 10% decline compared to the previous year. This reduction was primarily driven by a downward trend in nickel prices, an increase in inventory linked to projects scheduled for invoicing in the coming quarters, and an extraordinary effort in material procurement and manufacturing across the Group's key business units to support strategic orders set to be fulfilled in 2025.

Looking ahead to 2025**, the outlook remains highly positive**. Given the strong visibility of the current order book, **Tubacex maintains its growth targets and anticipates a record-breaking year, with similar expectations extending into 2026**. As previously announced, this growth is closely tied to the completion of the Abu Dhabi finishing and threading facility, a key component of the $1 billion ADNOC contract, which is progressing on schedule.

The company's performance in 2024 was affected by extraordinary factors, including the investment required for the construction and commissioning of the Abu Dhabi plant, which began partial operations in November and is expected to be fully operational by mid-2025, as well as delays in Petrobras contract awards. These temporary factors are expected to yield returns in 2025 and beyond. Tubacex continues to focus on CAPEX investments and working capital allocation toward strategic clients and projects, **securing future revenue growth for 2025 and 2026 while ensuring compliance with its NT2027 Strategic Plan**. Despite a challenging market environment, the company has continued to increase its market share, particularly in high-value-added products.

2024: A Year of Progressive Growth

The company ended the year with an accumulated **EBITDA** of €107 million, **marking the second highest in its history**, while maintaining an **EBITDA margin** of 13.9%, **consolidating its position at strategic levels**. As previously stated in market communications, the fourth quarter reflected a progressive improvement throughout the year, **culminating in the highest quarterly EBITDA of 2024** at €28.9 million, with an EBITDA margin of 14.6%, setting the company's best record of the year. All Tubacex business units successfully implemented structural cost reductions and remained focused on capturing high-value opportunities rather than volume-based growth.

The delays announced in the first half of 2024, which impacted the entire sector, were partially recovered in the second half of the year. Although not fully offset, **these recoveries enabled a progressive quarterly improvement in revenue and EBITDA** despite the annual percentage decline. As of December 31, **net profit** stood at €22.9 million, down 37.1% from 2023, a significant recovery compared to the 48.9% decline recorded in 9M24. However, when comparing the fourth quarter of 2024 with the same period in 2023, net profit for Q4 2024 (€8.7 million) exceeded Q4 2023 (€8.5 million).

Despite macroeconomic and geopolitical challenges, all Tubacex business units contributed positively to the company's results, **reinforcing its key role in the energy transition and global energy security.**

Strong Order Backlog Position

The company's order backlog remains robust, with order intake levels at historic highs, both in volume and margin. The current book-to-bill ratio stands at around **1x**, signaling the company's financial strength and business sustainability**. With an order backlog of €1.56 billion**, Tubacex maintains the same levels recorded at the end of 2023, ensuring continued business visibility for the coming years. The portfolio remains highly concentrated in high-value-added products, reflecting increased market share in strategic segments and a growing focus on Low Carbon solutions.

Revenue diversification remains a key strength, with 28% of total sales originating from the industrial sector, 26% from gas exploration and production (E&P), 19% from oil E&P, 20% from new markets, and 7% from power generation. This diversified mix positions Tubacex to benefit from both existing and future low-emission energy sources, including transitional energy solutions such as gas and nuclear.

Geographically, the company **maintains a strong level of diversification**, with 42% of its revenue generated in Asia and the Middle East, a region where it holds substantial exposure to the gas sector across both extraction and processing, aligning with its long-term strategic objectives. Meanwhile, 26% of revenue comes from the Americas, 29% from Europe, and 3% from Africa, ensuring a well-balanced presence across key global markets.

Tubacex continues to reinforce its strategic partnerships and long-term agreements, ensuring a steady pipeline of high-margin contracts for premium products. Recent contract awards, including two new agreements with Petrobras, have further solidified its leadership in the gas extraction market, particularly in highly demanding operational environments.

MAIN **FINANCIAL FIGURES**

(€M)	FY 2023	FY 2024	% Var.	Q4 2023	Q4 2024	% Var.
Sales	852.4	767.5	-10.0%	210.4	198.5	-5.7%
EBITDA	125.2	107.0	-14.6%	31.4	28.9	-8.0%
EBITDA Margin	14.7%	13.9%		14.9%	14.6%	
EBIT	80.7	63.5	-21.3%	20.2	17.8	-11.9%
EBIT Margin	9.5%	8.3%		9.6%	8.9%	
Earnings Before Taxes	49.6	30.0	-39.5%	10.7	11.9	11.2%
Margin	5.8%	3.9%		5.1%	6.0%	
Net Profit	36.3	22.9	-37.1%	8.5	8.7	1.6%
Net Margin	4.3%	3.0%		4.1%	4.4%	

	Dec. 23	Dec. 24	Var. (€M)
Working Capital	234.5	310.2	+75.7
Working Capital / Sales	27.5%	40.4%	
Net Financial Debt	280.7	255.0	-25.7
Net Financial Debt / EBITDA	2.2x	2.4x	
Structural Net Financial Debt[1]	46.2	-55.2	-101.4

(1) Net Financial Debt – Working Capital

FY 2024 RESULTS / PAG. 1

TUBACEX GROUP

Financial Strength: Tubacex Reaffirms Its NT2 Plan Objectives

At the close of 2024, Tubacex reported a Net Financial Debt (NFD) of €255 million, a figure that includes a €60.4 million **investment in the Abu Dhabi plant** and a €75.7 million increase in working capital, **primarily linked to the production of complex** projects. This increase is aimed at ensuring the timely supply of contracted orders for 2025 and, consequently, supporting the revenue growth outlined in the NT2 Strategic Plan for the following years. Additionally, during the third quarter of 2024, the company recorded a €14.5 million cash outflow related to the payment of the ordinary dividend from the 2023 results.

In the final quarter of the year, Tubacex finalized a strategic agreement with Mubadala Investment, marking its entry into the company's OCTG business. This transaction generated **a cash inflow of €182.1 million**, strengthening the company's financial position. The NFD/EBITDA ratio stood at 2.4x, with a cash generation of €24.5 million for the year. Following this development, **Tubacex reiterated its commitment to the NT2 2023-2027 Plan, maintaining the strategic objective of reducing its debt ratio to below 2x.**

The company maintains a solid financial position, with €236.4 million in cash reserves and total liquidity exceeding €323 million. This strong liquidity and financial stability, achieved in a highly demanding year, significantly reinforce Tubacex's balance sheet and position the company for future growth.

In line with the anticipated strong performance in 2025, **Tubacex remains committed to delivering value to its shareholders**. Accordingly, the Board of Directors has proposed the distribution of a **gross dividend of 25 million euros,** subject to approval at the upcoming Shareholders' Meeting.

About Tubacex

Tubacex stands at the forefront of the global market in the design, manufacturing, and installation of complex industrial products and services with high added value, focusing primarily on the energy and mobility industries. The company specializes in advanced stainless steel, corrosion-resistant alloys (CRA), and precision machining services, delivering cutting-edge solutions for demanding applications.

Committed to innovation and excellence, Tubacex operates through an integrated value chain, encompassing research and development, production, and final product delivery, ensuring superior quality and technological advancement.

With production facilities and service centers in over 30 countries, Tubacex maintains a strong global presence. Its dedication to sustainability and environmental management is widely recognized, with certifications from leading authorities. The company adheres to Science-Based Targets (SBT) for emissions reduction, holds an A- rating from the Carbon Disclosure Project (CDP), and meets S&P's sustainability criteria, reinforcing its position as an industry benchmark in responsible business. www.tubacex.com

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