



## Press Release

Giovanni Sardagna  
 Tenaris  
 1-888-300-5432  
 www.tenaris.com

### Tenaris Announces 2021 First Quarter Results

*The financial and operational information contained in this press release is based on unaudited consolidated condensed interim financial statements presented in U.S. dollars and prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board and adopted by the European Union, or IFRS. Additionally, this press release includes non-IFRS alternative performance measures i.e., EBITDA, Net cash / debt and Free Cash Flow. See exhibit I for more details on these alternative performance measures.*

Luxembourg, April 28, 2021. - Tenaris S.A. (NYSE and Mexico: TS and MTA Italy: TEN) (“Tenaris”) today announced its results for the quarter ended March 31, 2021 in comparison with its results for the quarter ended March 31, 2020.

### Summary of 2021 First Quarter Results

(Comparison with fourth and first quarter of 2020)

|  | 1Q 2021 | 4Q 2020 |      | 1Q 2020 |       |
|--|---------|---------|------|---------|-------|
| Net sales (\$ million)                       | 1,182   | 1,131   | 5%   | 1,762   | (33%) |
| Operating income (loss) (\$ million)         | 52      | 7       | 598% | (510)   |       |
| Net income (loss) (\$ million)               | 101     | 110     | 8%   | (666)   |       |
| Shareholders' net income (loss) (\$ million) | 106     | 107     | 0%   | (660)   |       |
| Earnings (losses) per ADS (\$)               | 0.18    | 0.18    | 0%   | (1.12)  |       |
| Earnings (losses) per share (\$)             | 0.09    | 0.09    | 0%   | (0.56)  |       |
| EBITDA* (\$ million)                         | 196     | 192     | 2%   | 280     | (30%) |
| EBITDA margin (% of net sales)               | 16.6%   | 17.0%   |      | 15.9%   |       |

\*EBITDA is defined as operating income (loss) plus depreciation, amortization and impairment charges / (reversals). EBITDA includes severance charges of \$5 million in 1Q 2021, 37 million in 4Q 2020 and \$23 million in 1Q 2020. If these charges were not included EBITDA would have been \$201 million (17.0%) in 1Q 2021, \$229 million (20.3%) in 4Q 2020 and \$303 million (17.2%) in 1Q 2020.

Our sales in the first quarter increased 5% sequentially as a recovery in sales in North America was tempered by lower sales in the Eastern Hemisphere. EBITDA, which included \$23 million of additional costs associated to the Winter Storm Uri, increased 2% sequentially reflecting continued improvements in our industrial performance. Net income benefited from a strong contribution from our investment in Ternium.



During the quarter, working capital increased by \$83 million, mainly due to higher inventories which reflect the increased levels of activity. With operating cash flow of \$70 million and capital expenditures of \$45 million, our free cash flow amounted to \$25 million (2% of revenues). Our positive financial position remained flat during the quarter and amounted to \$1,084 million at March 31, 2021.

## Market Background and Outlook

Although the COVID-19 pandemic is still deeply affecting many countries in the world, particularly in Latin America where we have a significant proportion of our operations, the global economic outlook is improving as vaccination programs progress and fiscal stimulus programs are implemented. Oil prices are stabilizing around \$60/bbl and inventories are returning to more normal levels as global consumption is increasing along with industrial production and mobility, while OPEC+ countries continue to contain production levels.

Drilling activity in the U.S. has risen over the past months, and may continue to rise further through the year, while, in Canada, where it is subject to seasonal fluctuations, it is currently higher than in the corresponding month of last year. In Latin America, drilling activity has risen so far this year and the recovery should consolidate. In the Eastern Hemisphere, drilling activity has bottomed out and should increase later this year.

We anticipate a further recovery in sales and EBITDA, led by North America but also including other regions, over the following quarters. EBITDA margins should reach around 20% by the third quarter, as price increases compensate for higher raw material costs.

Our North American industrial facilities are preparing to meet higher demand. We expect to hire one thousand additional employees in the U.S. during the year as we ramp up our facilities in Bay City and McCarty (TX) to full production and open our facilities in Conroe (TX), Koppel (PA), Ambridge (PA) and Baytown (TX). Meanwhile, we are advancing with our investments to consolidate our Canadian industrial operations in Sault Ste Marie (ON) and to expand the size range of steel bars at Koppel to supply our Bay City mill.



## Analysis of 2021 First Quarter Results

| Tubes Sales volume (thousand metric tons) | 1Q 2021    | 4Q 2020    |           | 1Q 2020    |              |
|---|------------|------------|-----------|------------|--------------|
| Seamless                                  | 496        | 423        | 17%       | 665        | (25%)        |
| Welded                                    | 71         | 103        | (31%)     | 170        | (58%)        |
| <b>Total</b>                              | <b>568</b> | <b>526</b> | <b>8%</b> | <b>835</b> | <b>(32%)</b> |

| Tubes                                       | 1Q 2021      | 4Q 2020      |               | 1Q 2020      |              |
|---|--------------|--------------|---------------|--------------|--------------|
| (Net sales - \$ million)                    |              |              |               |              |              |
| North America                               | 514          | 391          | 31%           | 878          | (41%)        |
| South America                               | 166          | 160          | 4%            | 224          | (26%)        |
| Europe                                      | 143          | 137          | 5%            | 134          | 7%           |
| Middle East & Africa                        | 196          | 294          | (33%)         | 331          | (41%)        |
| Asia Pacific                                | 60           | 68           | (12%)         | 90           | (33%)        |
| <b>Total net sales (\$ million)</b>         | <b>1,080</b> | <b>1,050</b> | <b>3%</b>     | <b>1,657</b> | <b>(35%)</b> |
| <b>Operating income (loss) (\$ million)</b> | <b>38</b>    | <b>3</b>     | <b>1,177%</b> | <b>(478)</b> |              |
| Operating margin (% of sales)               | 3.5%         | 0.3%         |               | (28.8%)      |              |

*Net sales of tubular products and services* increased 3% sequentially but declined 35% year on year. Sequentially an 8% increase in volumes was partially offset by a 5% decrease in average selling prices. In North America sales increased 31% sequentially, reflecting higher sales across the region but particularly strong in the United States as activity ramps up. In South America sales increased 4% sequentially, reflecting higher sales in Argentina. In Europe sales increased 5% reflecting higher sales of mechanical products to the industrial sector. In the Middle East and Africa sales decreased 33% sequentially, reflecting lower sales of high-end OCTG in Qatar and Iraq, lower sales of line pipe in Saudi Arabia due to ongoing destocking and a reduction in coating services in West Africa. In Asia Pacific sales decreased 12% due to lower sales of high alloy products in China.

*Operating result from tubular products and services* amounted to a gain of \$38 million in the first quarter of 2021, compared to a gain of \$3 million in the previous quarter and a loss of \$478 million in the first quarter of 2020, when we recorded an impairment of \$582 million. During the quarter operating results for the Tubes segment include \$23 million higher costs associated to the Winter Storm Uri and \$5 million of leaving indemnities. Our operating income and margin during the quarter continued to improve reflecting a better industrial performance.

| Others                               | 1Q 2021 | 4Q 2020 |      | 1Q 2020 |      |
|--------------------------------------|---------|---------|------|---------|------|
| Net sales (\$ million)               | 102     | 81      | 26%  | 105     | (2%) |
| Operating income (loss) (\$ million) | 13      | 4       | 229% | (32)    |      |
| Operating margin (% of sales)        | 13.0%   | 5.0%    |      | (30.2%) |      |

*Net sales of other products and services* increased 26% sequentially and decreased 2% year on year. The sequential increase in sales is mainly related to higher sales of excess raw materials and sucker rods.

**Selling, general and administrative expenses**, or SG&A, amounted to \$255 million, or 21.6% of net sales, in the first quarter of 2021, compared to \$242 million, 21.4% in the previous quarter and \$357 million, 20.3% in the first quarter of 2020. SG&A expenses during the quarter included \$3 million of leaving indemnities compared to \$16 million in the previous quarter. Sequentially, our SG&A expenses increased



mainly due to higher selling expenses associated with higher sales and because the previous quarter benefited from a \$9 million gain from a provision reversal.

**Other operating results** amounted to a gain of \$8 million in the first quarter of 2021, compared to \$14 million in the previous quarter and \$1 million in the first quarter of 2020. The gain of the quarter is mainly related to recoveries of duties in the U.S. and a recovery of fiscal credits in Brazil while in the previous quarter the gain was mainly related to a recovery of fiscal credits in Brazil.

**Financial results** amounted to a gain of \$12 million in the first quarter of 2021, compared to a loss of \$14 million in the previous quarter and a loss of \$22 million in the first quarter of 2020. The gain of the quarter is mainly due to a 5% Euro depreciation on Euro denominated intercompany liabilities at subsidiaries whose functional currency is the U.S. dollar, a results which is to a large extent offset in equity.

**Equity in earnings of non-consolidated companies** generated a gain of \$79 million in the first quarter of 2021, compared to a gain of \$81 million in the previous quarter and a gain of \$2 million in the first quarter of 2020. These results are mainly derived from our participation in Ternium (NYSE:TX) and reflect the good dynamics at the flat steel sector derived from record high steel prices.

**Income tax charge** amounted to \$42 million in the first quarter of 2021, compared to a credit of \$35 million in the previous quarter and a charge of \$136 million in the first quarter of 2020. Taxes increased during the quarter due to the better results at several subsidiaries following the improvement in activity, and the effect on deferred taxes of the devaluation of the Mexican Peso and the Japanese Yen, on the tax base used to calculate deferred taxes at our subsidiaries in those countries, which have the U.S. dollar as their functional currency.

## Cash Flow and Liquidity

Net cash provided by operations during the first quarter of 2021 was \$70 million, compared with \$139 million in the previous quarter and \$516 million in the first quarter of 2020. Working capital increased by \$83 million, reflecting higher inventories, partially offset by an increase in trade payables and a decrease in receivables.

Capital expenditures amounted to \$45 million for the first quarter of 2021, compared to \$38 million in the previous quarter and \$68 million in the first quarter of 2020.

Free cash flow of the quarter amounted to \$25 million (2% of revenues), compared to \$101 million in the previous quarter and \$448 million in the first quarter of 2020.

Our financial position remained flat during the quarter and amounted to \$1,084 million at March 31, 2021.

## Conference call

Tenaris will hold a conference call to discuss the above reported results, on April 29, 2021, at 10:00 a.m. (Eastern Time). Following a brief summary, the conference call will be opened to questions. To access the conference call dial in +1 866 789 1656 within North America or +1 630 489 1502 Internationally. The



access number is “7043339”. Please dial in 10 minutes before the scheduled start time. The conference call will be also available by webcast at <http://ir.tenaris.com/events-and-presentations>.

A replay of the conference call will be available on our webpage <http://ir.tenaris.com/events-and-presentations> or by phone from 1.00 pm ET on April 29, through 1.00 pm on May 7, 2021. To access the replay by phone, please dial +1 855 859 2056 or +1 404 537 3406 and enter passcode “7043339” when prompted.

*Some of the statements contained in this press release are “forward-looking statements”. Forward-looking statements are based on management’s current views and assumptions and involve known and unknown risks that could cause actual results, performance or events to differ materially from those expressed or implied by those statements. These risks include but are not limited to risks arising from uncertainties as to future oil and gas prices and their impact on investment programs by oil and gas companies.*



## Consolidated Condensed Interim Income Statement

(all amounts in thousands of U.S. dollars)

### Continuing operations

Net sales

Cost of sales

### Gross profit

Selling, general and administrative expenses

Impairment charge

Other operating income (expense), net

### Operating income (loss)

Finance Income

Finance Cost

Other financial results

### Income (loss) before equity in earnings of non-consolidated companies and income tax

Equity in earnings of non-consolidated companies

### Income (loss) before income tax

Income tax

### Income (loss) for the period

### Attributable to:

Owners of the parent

Non-controlling interests

|  | Three-month period ended March 31, |                  |
|--|------------------------------------|------------------|
|  | 2021                               | 2020             |
|  | Unaudited                          |                  |
|  | 1,181,789                          | 1,762,311        |
|  | (882,999)                          | (1,293,665)      |
|  | <b>298,790</b>                     | <b>468,646</b>   |
|  | (255,026)                          | (357,045)        |
|  | -                                  | (622,402)        |
|  | 7,827                              | 1,256            |
|  | <b>51,591</b>                      | <b>(509,545)</b> |
|  | 5,698                              | 1,877            |
|  | (4,675)                            | (8,442)          |
|  | 10,754                             | (15,742)         |
|  | <b>63,368</b>                      | <b>(531,852)</b> |
|  | 79,141                             | 1,889            |
|  | <b>142,509</b>                     | <b>(529,963)</b> |
|  | (41,744)                           | (135,769)        |
|  | <b>100,765</b>                     | <b>(665,732)</b> |
|  | 106,346                            | (660,068)        |
|  | (5,581)                            | (5,664)          |
|  | <b>100,765</b>                     | <b>(665,732)</b> |



## Consolidated Condensed Interim Statement of Financial Position

(all amounts in thousands of U.S. dollars)

|   | At March 31, 2021 |                   | At December 31, 2020 |                   |
|---|-------------------|-------------------|----------------------|-------------------|
|   | Unaudited         |                   |                      |                   |
| <b>ASSETS</b>   |                   |                   |                      |                   |
| <b>Non-current assets</b>                                 |                   |                   |                      |                   |
| Property, plant and equipment, net                        | 6,081,084         |                   | 6,193,181            |                   |
| Intangible assets, net                                    | 1,411,761         |                   | 1,429,056            |                   |
| Right-of-use assets, net                                  | 229,415           |                   | 241,953              |                   |
| Investments in non-consolidated companies                 | 1,024,127         |                   | 957,352              |                   |
| Other investments   | 280,474           |                   | 247,082              |                   |
| Deferred tax assets                                       | 208,788           |                   | 205,590              |                   |
| Receivables, net  | 155,482           | 9,391,131         | 154,303              | 9,428,517         |
| <b>Current assets</b>                                     |                   |                   |                      |                   |
| Inventories, net  | 1,910,293         |                   | 1,636,673            |                   |
| Receivables and prepayments, net                          | 80,029            |                   | 77,849               |                   |
| Current tax assets  | 159,059           |                   | 136,384              |                   |
| Trade receivables, net                                    | 907,738           |                   | 968,148              |                   |
| Derivative financial instruments                          | 9,006             |                   | 11,449               |                   |
| Other investments   | 649,878           |                   | 872,488              |                   |
| Cash and cash equivalents                                 | 695,245           | 4,411,248         | 584,681              | 4,287,672         |
| <b>Total assets</b>                                       |                   | <b>13,802,379</b> |                      | <b>13,716,189</b> |
| <b>EQUITY</b>   |                   |                   |                      |                   |
| Capital and reserves attributable to owners of the parent |                   | 11,288,012        |                      | 11,262,888        |
| Non-controlling interests                                 |                   | 182,131           |                      | 183,585           |
| <b>Total equity</b>                                       |                   | <b>11,470,143</b> |                      | <b>11,446,473</b> |
| <b>LIABILITIES</b>  |                   |                   |                      |                   |
| <b>Non-current liabilities</b>                            |                   |                   |                      |                   |
| Borrowings  | 294,649           |                   | 315,739              |                   |
| Lease liabilities   | 193,161           |                   | 213,848              |                   |
| Deferred tax liabilities                                  | 277,848           |                   | 254,801              |                   |
| Other liabilities   | 231,812           |                   | 245,635              |                   |
| Provisions  | 80,602            | 1,078,072         | 73,218               | 1,103,241         |
| <b>Current liabilities</b>                                |                   |                   |                      |                   |
| Borrowings  | 246,440           |                   | 303,268              |                   |
| Lease liabilities   | 39,437            |                   | 43,495               |                   |
| Derivative financial instruments                          | 4,047             |                   | 3,217                |                   |
| Current tax liabilities                                   | 65,272            |                   | 90,593               |                   |
| Other liabilities   | 202,820           |                   | 202,826              |                   |
| Provisions  | 8,931             |                   | 12,279               |                   |
| Customer advances   | 52,569            |                   | 48,692               |                   |
| Trade payables  | 634,648           | 1,254,164         | 462,105              | 1,166,475         |
| <b>Total liabilities</b>                                  |                   | <b>2,332,236</b>  |                      | <b>2,269,716</b>  |
| <b>Total equity and liabilities</b>                       |                   | <b>13,802,379</b> |                      | <b>13,716,189</b> |



## Consolidated Condensed Interim Statement of Cash Flows

(all amounts in thousands of U.S. dollars)

### Cash flows from operating activities

|  | Three-month period ended March 31, |                |
|--|------------------------------------|----------------|
|  | 2021                               | 2020           |
|  | Unaudited                          |                |
| Income (loss) for the period                     | 100,765                            | (665,732)      |
| Adjustments for:                                 |                                    |                |
| Depreciation and amortization                    | 144,469                            | 166,977        |
| Impairment charge                                | -                                  | 622,402        |
| Income tax accruals less payments                | 12,091                             | 86,258         |
| Equity in earnings of non-consolidated companies | (79,141)                           | (1,889)        |
| Interest accruals less payments, net             | (46)                               | 3,136          |
| Changes in provisions                            | 4,036                              | (11,490)       |
| Changes in working capital                       | (83,326)                           | 316,971        |
| Currency translation adjustment and others       | (28,354)                           | (555)          |
| <b>Net cash provided by operating activities</b> | <b>70,494</b>                      | <b>516,078</b> |

### Cash flows from investing activities

|   |                |                    |
|---|----------------|--------------------|
| Capital expenditures  | (45,291)       | (68,044)           |
| Changes in advance to suppliers of property, plant and equipment              | (3,104)        | (427)              |
| Acquisition of subsidiaries, net of cash acquired                             | -              | (1,063,848)        |
| Proceeds from disposal of property, plant and equipment and intangible assets | 4,923          | 518                |
| Changes in investments in securities  | 176,932        | 31,294             |
| <b>Net cash provided by (used in) investing activities</b>                    | <b>133,460</b> | <b>(1,100,507)</b> |

### Cash flows from financing activities

|  |                 |                  |
|--|-----------------|------------------|
| Changes in non-controlling interests           | -               | 1                |
| Payments of lease liabilities                  | (15,900)        | (14,961)         |
| Proceeds from borrowings                       | 94,605          | 219,158          |
| Repayments of borrowings                       | (168,271)       | (314,494)        |
| <b>Net cash (used in) financing activities</b> | <b>(89,566)</b> | <b>(110,296)</b> |

### Increase (decrease) in cash and cash equivalents

#### Movement in cash and cash equivalents

|  |                |                |
|--|----------------|----------------|
| At the beginning of the period                   | 584,583        | 1,554,275      |
| Effect of exchange rate changes                  | (3,844)        | (19,686)       |
| Increase (decrease) in cash and cash equivalents | 114,388        | (694,725)      |
|  | <b>695,127</b> | <b>839,864</b> |



## Exhibit I – Alternative performance measures

### EBITDA, Earnings before interest, tax, depreciation and amortization.

EBITDA provides an analysis of the operating results excluding depreciation and amortization and impairments, as they are non-cash variables which can vary substantially from company to company depending on accounting policies and the accounting value of the assets. EBITDA is an approximation to pre-tax operating cash flow and reflects cash generation before working capital variation. EBITDA is widely used by investors when evaluating businesses (multiples valuation), as well as by rating agencies and creditors to evaluate the level of debt, comparing EBITDA with net debt.

EBITDA is calculated in the following manner:

EBITDA= Operating results + Depreciation and amortization + Impairment charges/(reversals).

(all amounts in thousands of U.S. dollars)

|                               | Three-month period ended March 31, |                |
|-------------------------------|------------------------------------|----------------|
|                               | 2021                               | 2020           |
| Operating income              | 51,591                             | (509,545)      |
| Depreciation and amortization | 144,469                            | 166,977        |
| Impairment                    | -                                  | 622,402        |
| <b>EBITDA</b>                 | <b>196,060</b>                     | <b>279,834</b> |

### Net Cash / (Debt)

This is the net balance of cash and cash equivalents, other current investments and non-current investments less total borrowings. It provides a summary of the financial solvency and liquidity of the company. Net cash / (debt) is widely used by investors and rating agencies and creditors to assess the company's leverage, financial strength, flexibility and risks.

Net cash/ debt is calculated in the following manner:

Net cash= Cash and cash equivalents + Other investments (Current and Non-Current) +/- Derivatives hedging borrowings and investments – Borrowings (Current and Non-Current)

(all amounts in thousands of U.S. dollars)

|  | At March 31,     |                |
|--|------------------|----------------|
|  | 2021             | 2020           |
| Cash and cash equivalents                      | 695,245          | 841,722        |
| Other current investments                      | 649,878          | 174,387        |
| Non-current investments                        | 274,542          | 14,858         |
| Derivatives hedging borrowings and investments | 5,281            | (61,477)       |
| Current borrowings                             | (246,440)        | (523,203)      |
| Non-current borrowings                         | (294,649)        | (175,195)      |
| <b>Net cash / (debt)</b>                       | <b>1,083,857</b> | <b>271,092</b> |



## Free Cash Flow

Free cash flow is a measure of financial performance, calculated as operating cash flow less capital expenditures. FCF represents the cash that a company is able to generate after spending the money required to maintain or expand its asset base.

Free cash flow is calculated in the following manner:

Free cash flow = Net cash (used in) provided by operating activities – Capital expenditures.

(all amounts in thousands of U.S. dollars)

|   | Three-month period ended March 31, |                |
|---|------------------------------------|----------------|
|   | 2021                               | 2020           |
| Net cash provided by operating activities | 70,494                             | 516,078        |
| Capital expenditures                      | (45,291)                           | (68,044)       |
| <b>Free cash flow</b>                     | <b>25,203</b>                      | <b>448,034</b> |