FOR: **WEBCO INDUSTRIES, INC.**
CONTACT: Mike Howard
Chief Financial Officer
(918) 241-1094
mhoward@webcotube.com

For Immediate Release

WEBCO INDUSTRIES, INC. REPORTS FISCAL 2025 THIRD QUARTER RESULTS

SAND SPRINGS, Oklahoma, May 21, 2025 – Webco Industries, Inc. (OTC: WEBC) today reported results for our third quarter of fiscal year 2025, which ended April 30, 2025.

For our third quarter of fiscal year 2025, we had a net income of $5.0 million, or $7.05 per diluted share, while in our third quarter of fiscal year 2024, we had net income of $6.4 million, or $7.49 per diluted share. Net sales for the third quarter of fiscal 2025 were $155.4 million, a 1.4 percent increase from the $153.2 million of sales in the third quarter of fiscal year 2024.

For the first nine months of fiscal year 2025, we generated a net income of $2.9 million, or $3.68 per diluted share, compared to a net income of $11.8 million, or $14.30 per diluted share, for the same period in fiscal year 2024. Net sales for the first nine months of the current year amounted to $426.5 million, a 6.7 percent decrease from the $457.0 million in sales for the same nine-month period of last year.

Dana S. Weber, Chief Executive Officer and Board Chair, stated, "Our third fiscal quarter was marginally more active when compared to business levels over the last two years, a period we believe reflected a domestic manufacturing sector recession. Unfair dumping of products by foreign manufacturers into our markets made a suppressed manufacturing environment more difficult. The dynamic and evolving tariff environment, which affect each of our customers and vendors very differently, presents numerous opportunities and challenges. So far, we perceive that Webco's benefits from tariffs have been greater than the costs to our business. We continue to focus on our strong balance sheet, good liquidity and making compelling investments in our business. Our total cash, short-term investments and available credit on our revolver were $75.7 million at April 30, 2025, which we believe to be a competitive advantage."

In the third quarter of fiscal year 2025, we had income from operations of $8.3 million after depreciation of $4.9 million. The third fiscal quarter of the prior year generated income from operations of $7.1 million after depreciation of $3.8 million. Gross profit for the third quarter of fiscal 2025 was $21.3 million, or 13.7 percent of net sales, compared to $19.7 million, or 12.9 percent of net sales, for the third quarter of fiscal year 2024.

Our income from operations for the first nine months of fiscal year 2025 was $7.6 million, after depreciation expense of $14.2 million. Income from operations in the first nine-month period of fiscal year 2024 was $16.6 million, after depreciation expense of $11.2 million. Gross profit for the first nine months of fiscal 2025 was $44.8 million, or 10.5 percent of net sales, compared to $54.3 million, or 11.9 percent of net sales for the same period in fiscal year 2024.

Selling, general and administrative expenses were $13.0 million in the third quarter of fiscal 2025 and $12.6 million in the third quarter of fiscal 2024. SG&A expenses were $37.3 million in the first nine months of fiscal year 2025 and $37.7 million for the first nine-month period of fiscal year 2024. SG&A expenses in fiscal year 2025 reflect decreases in costs related to lower profitability, such as company-wide incentive compensation and variable pay programs, offset by inflation we have experienced in wages and other expenses.

Interest expense was $1.5 million in the third quarter of fiscal year 2025 and $0.7 million in the same quarter of fiscal year 2024. Interest expense was $3.9 million and $3.0 million in the first nine-month periods of the current and prior fiscal years, respectively. Average construction-based investments decreased in fiscal year 2025 and, as a result, capitalized interest decreased $0.6 million and $1.3 million when compared to the third quarter and first nine months of fiscal year 2024, respectively. Capitalized interest decreases net interest expense in the consolidated statement of operations. Notwithstanding capitalized interest, interest rates were marginally lower and average debt balances were higher in the current fiscal quarter and first nine-month periods than in the prior fiscal year.

Capital expenditures incurred amounted to $4.3 million in the third quarter of fiscal year 2025 and $16.0 million for the first nine months of fiscal year 2025. Capital spending in fiscal year 2025 was dominated by construction and expansion at our stainless facilities. Included in capital spending for the third quarter and first nine months of fiscal year 2024 was construction of our F. William Weber Leadership Campus, which houses our Tech Center and corporate headquarters. The Tech Center, which is the tip of the spear that leads Webco's trusted and technical brand throughout our industry, was completed in the fourth quarter of fiscal year 2024.

As of April 30, 2025, we had $15.0 million in cash and short-term investments, in addition to $60.7 million of available borrowing under our $220 million senior revolving credit facility. Availability on the revolver, which had $80.7 million drawn at April 30, 2025, is subject to advance rates on eligible accounts receivable and inventories. Our term loan and revolver mature in September 2027. Accounting rules require asset-based debt agreements like our revolver to be classified as a current liability, despite its fiscal year 2028 maturity.

Webco's stock repurchase program authorizes the purchase of our outstanding common stock in private or open market transactions. In September 2023, the Company's Board of Directors refreshed the repurchase program with a new limit of up to $40 million and extended the program's expiration until July 31, 2026. We purchased 18,000 shares of our stock during the third quarter of fiscal year 2025 and 166,000 shares in the first nine months of fiscal year 2025, including the previously disclosed 143,000 shares acquired on December 31, 2024. At April 30, 2025, there was approximately $4.9 million of purchase authority left in the current stock repurchase program. The repurchase plan may be extended, suspended or discontinued at any time, without notice, at the Board's discretion.

Webco's mission is to continuously build on our strengths as we create a vibrant company for the ages. We leverage our core values of trust and teamwork, continuously building strength, agility and innovation. We focus on practices that support our brand such that we are 100% engaged every day to build a forever kind of company for our Trusted Teammates, customers, business partners, investors and community. We provide high-quality carbon steel, stainless steel and other metal specialty tubing products designed to industry and customer specifications. We have five tube production facilities in Oklahoma and Pennsylvania and eight value-added facilities in Oklahoma, Illinois, Michigan, Pennsylvania and Texas, serving customers globally. Our F. William Weber Leadership Campus is in Sand Springs, Oklahoma and houses our corporate offices and our Webco TechCenter™, providing a state-of-the-art laboratory and R & D facility to lead and develop technical solutions for the metal tubing industry.

Risk Factors and Forward-looking statements: Certain statements in this release, including, but not limited to, those preceded by or predicated upon the words "anticipates," "appears," "believes," "estimates," "expects," "forever," "hopes," "intends," "plans," "projects," "pursue," "should," "will," "wishes," or similar words may constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company, or industry results, to differ materially from any future results, performance or achievements expressed or implied herein. Such risks, uncertainties and factors include the factors discussed above and, among others: general economic and business conditions, including any global economic downturn; government policy or low hydrocarbon prices that stifle domestic investment in energy; competition from foreign imports, including any impacts associated with dumping or the strength of the U.S. dollar; political or social environments that are unfriendly to industrial or energy-related businesses; changes in manufacturing technology; the banking *environment, including availability of adequate financing; worldwide and domestic monetary policy; changes in tax rates and regulation; regulatory and permitting requirements, including, but not limited to, environmental, workforce, healthcare, safety and national security; availability and cost of adequate qualified and competent personnel; changes in import / export tariff or restrictions; volatility in raw material cost and availability for the Company, its customers and vendors; the cost and availability, including time for delivery, of parts and services necessary to maintain equipment essential to the Company's manufacturing activities; the cost and availability of manufacturing supplies, including process gases; volatility in oil, natural gas and power cost and availability; world-wide or national transition from hydrocarbon sources of energy that adversely impact demand for our products; problems associated with product development efforts; significant shifts in product demand away from internal combustion engine automobiles; appraised values of inventories that can impact available borrowing under the Company's credit facility; declaration of material adverse change by a lender; industry capacity; domestic competition; loss of, or reductions in, purchases by significant customers and customer work stoppages; work stoppages by critical suppliers; labor unrest; conditions, including acts of God, that require more costly transportation of raw materials; accidents, equipment failures and insured or uninsured casualties; third-party product liability claims; flood, tornado, winter storms and other natural disasters; customer or supplier bankruptcy; customer or supplier declarations of force majeure; customer or supplier breach of contract; insurance cost and availability; lack of insurance coverage for floods; the cost associated with providing healthcare benefits to employees; customer claims; supplier quality or delivery problems; technical and data processing capabilities; cyberattack on our information technology infrastructure; world, domestic or regional health crises; vaccine mandates or related governmental policy that would cause significant portions of our workforce, or that of our customers or vendors, to leave their current employment; global or regional wars and conflicts; our inability or unwillingness to comply with rules required to maintain the quotation of our shares on any market place; and our inability to repurchase the Company's stock. The Company assumes no obligation to publicly update any such forward-looking statements. No assurance is provided that current results are indicative of those that will be realized in the future.*

TABLES FOLLOW

WEBCO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Dollars in thousands, except per share data – Unaudited)

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2025	2024	2025	2024
Net sales	$ 155,371	$ 153,221	$ 426,467	$ 457,043
Cost of sales	134,100	133,530	381,641	402,770
Gross profit	21,271	19,692	44,827	54,274
Selling, general & administrative expenses	12,992	12,590	37,259	37,672
Income (loss) from operations	8,279	7,102	7,568	16,601
Interest expense	1,501	698	3,898	3,046
Pretax income (loss)	6,778	6,404	3,669	13,556
Provision for (benefit from) income taxes	1,778	44	816	1,771
Net income (loss)	$ 5,000	$ 6,360	$ 2,853	$ 11,784
Net income (loss) per share:				
Basic	$ 7.54	$ 7.90	$ 3.96	$ 14.82
Diluted	$ 7.05	$ 7.49	$ 3.68	$ 14.30
Weighted average common shares outstanding:				
Basic	663,000	805,000	720,000	795,000
Diluted	709,000	850,000	776,000	824,000

CONSOLIDATED CASH FLOW DATA
(Dollars in thousands – Unaudited)

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2025	2024	2025	2024
Net cash provided by (used in) operating activities	$ 2,625	$ 28,378	$ 16,548	$ 56,102
Depreciation and amortization	$ 4,843	$ 3,885	$ 14,211	$ 11,317
Cash paid for capital expenditures	$ 4,325	$ 6,859	$ 15,961	$ 31,241

Notes: Amounts may not sum due to rounding.

WEBCO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands - Unaudited)

	April 30, 2025	July 31, 2024
Current assets:		
Cash	$ 2,632	$ 1,171
U.S. Treasury Bonds	12,363	15,903
Accounts receivable	79,692	70,249
Inventories, net	173,966	169,513
Prepaid expenses	7,287	9,530
Total current assets	275,938	266,366
Property, plant and equipment, net	167,979	168,186
Right of use, finance leases, net	997	1,043
Right of use, operating leases, net	20,144	21,879
Other long-term assets	16,084	15,611
Total assets	$ 481,142	$ 473,085
Current liabilities:		
Accounts payable	$ 35,455	$ 28,109
Accrued liabilities	32,123	33,066
Current portion of long-term debt, net	80,576	49,115
Current portion of finance lease liabilities	456	429
Current portion of operating lease liabilities	5,231	5,063
Total current liabilities	153,842	115,782
Long-term debt, net of current portion	20,000	20,000
Finance lease liabilities, net of current portion	590	657
Operating lease liabilities, net of current portion	14,956	16,653
Deferred tax liability	-	886
Stockholders’ equity:		
Common stock	7	9
Additional paid-in capital	46,570	54,256
Retained earnings	245,177	264,842
Total stockholders’ equity	291,754	319,107
Total liabilities and stockholders’ equity	$ 481,142	$ 473,085

Notes: Amounts may not sum due to rounding.