



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

For Immediate Release

WEBCO INDUSTRIES, INC. REPORTS FISCAL 2026 SECOND QUARTER RESULTS

SAND SPRINGS, Oklahoma, March 3, 2026 – Webco Industries, Inc. (OTC: WEBC) today reported results for our second quarter of fiscal year 2026, which ended January 31, 2026.

For our second quarter of fiscal year 2026, we had net income of \$0.5 million, or \$0.79 per diluted share, while in our second quarter of fiscal year 2025, we had a net loss of \$2.0 million, or a loss of \$2.91 per diluted share. Net sales for the second quarter of fiscal 2026 were \$141.9 million, a 9.4 percent increase from the \$129.7 million of sales in the second quarter of fiscal year 2025.

For the first six months of fiscal year 2026, we generated net income of \$5.3 million, or \$7.62 per diluted share, compared to a net loss of \$2.1 million, or a loss of \$2.87 per diluted share, for the same period in fiscal year 2025. Net sales for the first six months of the current year amounted to \$301.6 million, an 11.3 percent increase from the \$271.1 million in sales for the same six-month period of last year.

In the second quarter of fiscal year 2026, we had income from operations of \$2.1 million after depreciation of \$5.0 million. The second fiscal quarter of the prior year generated a loss from operations of \$1.8 million after depreciation of \$4.6 million. Gross profit for the second quarter of fiscal 2026 was \$16.3 million, or 11.5 percent of net sales, compared to \$9.9 million, or 7.6 percent of net sales, for the second quarter of fiscal year 2025.

Our income from operations for the first six months of fiscal year 2026 was \$9.5 million, after depreciation expense of \$9.9 million. We incurred a loss from operations in the first six-month period of fiscal year 2025 in the amount of \$0.7 million, after depreciation expense of \$9.3 million. Gross profit for the first half of fiscal 2026 was \$37.3 million, or 12.4 percent of net sales, compared to \$23.6 million, or 8.7 percent of net sales for the same period in fiscal year 2025.

Selling, general and administrative expenses were \$14.2 million in the second quarter of fiscal 2026 and \$11.7 million in the second quarter of fiscal 2025. SG&A expenses were \$27.8 million in the first half of fiscal year 2026 and \$24.3 million for the first six-month period of fiscal year 2025. SG&A expenses reflect increases in costs related to higher profitability, such as



company-wide incentive compensation and variable pay programs, plus inflation we have experienced in wages and other expenses.

Interest expense was \$1.4 million in the second quarter of fiscal year 2026 and \$1.2 million in the same quarter of fiscal year 2025. Interest expense was \$2.8 million and \$2.4 million in the first six-month periods of the current and prior fiscal years, respectively. Interest expense increased due to higher average debt balances than in the prior fiscal periods.

Capital expenditures incurred amounted to \$4.0 million in the second quarter of fiscal year 2026 and \$7.5 million for the first six months of fiscal year 2026. Capital spending thus far in fiscal year 2026 has been focused on plant equipment improvements.

At January 31, 2026, we had \$18.3 million in cash and short-term investments, in addition to \$67.9 million of available borrowing under our \$220 million senior revolving credit facility. Availability on the revolver, which had \$90.5 million drawn at January 31, 2026, is subject to advance rates on eligible accounts receivable and inventories. In February 2026, we extended the maturity on our debt agreement to February 2031. Accounting rules require asset-based debt agreements like our revolver to be classified as a current liability, despite its fiscal year 2031 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 15,300 shares of our stock during the second quarter of fiscal year 2026 and 18,300 shares in the first six months of fiscal year 2026. At January 31, 2026, there was approximately \$0.4 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 January 31,		Six Months Ended January 31,	
	2026	2025	2026	2025
Net sales	\$ 141,880	\$ 129,710	\$ 301,606	\$ 271,096
Cost of sales	125,573	119,801	264,256	247,541
Gross profit	16,307	9,909	37,349	23,555
Selling, general & administrative expenses	14,197	11,703	27,801	24,267
Income (loss) from operations	2,110	(1,794)	9,548	(711)
Interest expense	1,438	1,246	2,848	2,397
Pretax income (loss)	672	(3,040)	6,700	(3,109)
Provision for (benefit from) income taxes	123	(999)	1,384	(962)
Net income (loss)	\$ 549	\$ (2,040)	\$ 5,316	\$ (2,147)
Net income (loss) per share:				
Basic	\$ 0.84	\$ (2.91)	\$ 8.12	\$ (2.87)
Diluted	\$ 0.79	\$ (2.91)	\$ 7.62	\$ (2.87)
Weighted average common shares outstanding:				
Basic	652,000	700,000	655,000	749,000
Diluted	695,000	700,000	698,000	749,000

CONSOLIDATED CASH FLOW DATA
(Dollars in thousands – Unaudited)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2026	2025	2026	2025
Net cash provided by (used in) operating activities	\$ (2,360)	\$ 71	\$ (10,174)	\$ 13,922
Depreciation and amortization	\$ 5,026	\$ 4,675	\$ 9,900	\$ 9,368
Cash paid for capital expenditures	\$ 3,599	\$ 6,085	\$ 7,835	\$ 11,636

Notes: Amounts may not sum due to rounding.



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

	January 31, 2026	July 31, 2025
Current assets:		
Cash	\$ 2,341	\$ 1,894
U.S. Treasury Bonds	16,008	13,235
Accounts receivable	54,840	73,004
Inventories, net	218,257	188,943
Prepaid expenses	8,642	4,502
Total current assets	<u>300,089</u>	<u>281,579</u>
Property, plant and equipment, net	165,286	167,275
Right of use, finance leases, net	1,061	1,000
Right of use, operating leases, net	19,527	20,793
Other long-term assets	19,073	18,605
Total assets	<u>\$ 505,037</u>	<u>\$ 489,251</u>
Current liabilities:		
Accounts payable	\$ 36,261	\$ 51,742
Accrued liabilities	32,733	31,380
Current portion of long-term debt, net	90,471	65,636
Current portion of finance lease liabilities	439	459
Current portion of operating lease liabilities	5,328	5,367
Total current liabilities	<u>165,233</u>	<u>154,585</u>
Long-term debt, net of current portion	20,000	20,000
Finance lease liabilities, net of current portion	676	592
Operating lease liabilities, net of current portion	14,262	15,545
Deferred tax liability	4,420	-
Stockholders' equity:		
Common stock	7	7
Additional paid-in capital	46,610	47,007
Retained earnings	253,830	251,515
Total stockholders' equity	<u>300,447</u>	<u>298,529</u>
Total liabilities and stockholders' equity	<u>\$ 505,037</u>	<u>\$ 489,251</u>

Notes: Amounts may not sum due to rounding.