

TENARIS SA
Form 6-K
May 03, 2013

FORM 6 - K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a - 16 or 15d - 16 of
the Securities Exchange Act of 1934

As of May 3, 2013

TENARIS, S.A.
(Translation of Registrant's name into English)

TENARIS, S.A.
46a, Avenue John F. Kennedy
L-1855 Luxembourg
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12G3-2(b) under the Securities Exchange Act of 1934.
Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-____.

The attached material is being furnished to the Securities and Exchange Commission pursuant to Rule 13a-16 and Form 6-K under the Securities Exchange Act of 1934, as amended. This report contains Tenaris's press release announcing its 2013 first quarter results.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 3, 2013

Tenaris, S.A.

By: /s/ Cecilia Bilesio
Cecilia Bilesio
Corporate Secretary

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Tenaris Announces 2013 First Quarter Results

The financial and operational information contained in this press release is based on unaudited consolidated 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.

Luxembourg, May 1, 2013. - Tenaris S.A. (NYSE, Buenos Aires and Mexico: TS and MTA Italy: TEN) (“Tenaris”) today announced its results for the quarter ended March 31, 2013 in comparison with its results for the quarter ended March 31, 2012.

Summary of 2013 First Quarter Results

(Comparison with fourth and first quarters of 2012)

| | Q1 2013 | Q4 2012 | | Q1 2012 | |
|---------------------------------------|---------|---------|------|---------|------|
| Net sales (\$ million) | 2,678 | 2,758 | (3%) | 2,617 | 2% |
| Operating income (\$ million) | 554 | 586 | (5%) | 566 | (2%) |
| Net income (\$ million) | 423 | 350 | 21% | 448 | (6%) |
| Shareholders' net income (\$ million) | 425 | 358 | 19% | 439 | (3%) |
| Earnings per ADS (\$) | 0.72 | 0.61 | 19% | 0.74 | (3%) |
| Earnings per share (\$) | 0.36 | 0.30 | 19% | 0.37 | (3%) |
| EBITDA1 (\$ million) | 699 | 733 | (5%) | 704 | (1%) |
| EBITDA margin (% of net sales) | 26.1% | 26.6% | | 26.9% | |

*EBITDA is defined as operating income plus depreciation, amortization and impairment charges/(reversals)

Our first quarter sales decreased 3% sequentially as higher sales of premium OCTG products in Saudi Arabia and Sub-Saharan Africa did not fully compensate for lower sales in South America and the impact of lower market prices for less differentiated products in North America. Our EBITDA and operating margins maintained a good level in a competitive market.

Cash provided by operating activities reached \$563 million during the quarter and at the end of the quarter we had a net cash position (cash and other current investments less total borrowings) of \$121 million.

Market Background and Outlook

Over the past three quarters, drilling activity in North America has slowed down and should start to pick up by the end of the year, while in the rest of the world it should continue to increase slowly, supported by current oil and gas prices.

In the second quarter, the Canadian break up will affect our sales in North America. Sales in the Middle East are expected to increase further from the level of the first quarter. In the second half, sales of line pipe in Brazil will be affected by delays in project execution. Industrial customers in Europe will continue to be affected by weak economic activity.

In this environment, sales and margins for the rest of the year are expected to remain close to current levels with product mix improvements helping to offset the impact of lower prices in less differentiated segments.

Analysis of 2013 First Quarter Results

| Tubes Sales volume (thousand metric tons) | Q1 2013 | Q4 2012 | | Q1 2012 | |
|--|---------|---------|------|---------|------|
| Seamless | 657 | 669 | (2%) | 664 | (1%) |
| Welded | 289 | 306 | (6%) | 289 | - |
| Total | 946 | 975 | (3%) | 953 | (1%) |

| Tubes (Net sales - \$ million) | Q1 2013 | Q4 2012 | | Q1 2012 | |
|-----------------------------------|---------|---------|-------|---------|-------|
| North America | 1,143 | 1,155 | (1%) | 1,269 | (10%) |
| South America | 595 | 693 | (14%) | 463 | 29% |
| Europe | 268 | 243 | 10% | 262 | 2% |
| Middle East & Africa | 400 | 378 | 6% | 281 | 42% |
| Far East & Oceania | 82 | 110 | (25%) | 126 | (35%) |
| Total net sales (\$ million) | 2,488 | 2,578 | (3%) | 2,400 | 4% |
| Operating income (\$ million) | 526 | 572 | (8%) | 529 | (1%) |
| Operating income (% of sales) | 21.1% | 22.2% | | 22.1% | |

Net sales of tubular products and services decreased 3% sequentially but increased 4% year on year. Sales decreased sequentially as higher sales of premium in Saudi Arabia and Sub-Saharan Africa did not fully compensate for lower sales in South America and lower market prices in North America. In North America, higher sales in Canada largely offset the effect of lower market prices and less favorable product mix in the United States. In South America, sales decreased due to lower sales of line pipe in Argentina and of OCTG in Colombia. In Europe, sales increased due to higher sales of line pipe for offshore projects in Norway. In the Middle East and Africa, sales increased due to higher sales of premium products in Saudi Arabia and Sub-Saharan Africa. In the Far East and Oceania, sales decreased due to lower sales of line pipe and industrial products in the region.

Operating income from tubular products and services decreased 8% sequentially and 1% year on year, reflecting a decline in sales and in operating margin.

| Others | Q1 2013 | Q4 2012 | Q1 2012 |
|-------------------------------|---------|---------|-----------|
| Net sales (\$ million) | 190 | 180 | 217 (12%) |
| Operating income (\$ million) | 28 | 14 | 37 (24%) |
| Operating income (% of sales) | 14.5% | 7.6% | 17.0% |

Net sales of other products and services increased 6% sequentially but declined 12% year on year. The sequential increase in sales and operating income was mainly due to higher sales and operating income of our industrial equipment business in Brazil.

Selling, general and administrative expenses, or SG&A, amounted to \$476 million, or 17.8% of net sales, in the first quarter of 2013, compared to \$494 million, 17.9% in the previous quarter and \$444 million, 17.0% in the first quarter of 2012.

Net interest expenses amounted to \$8 million in the first quarter of 2013, compared to \$6 million in the previous quarter and \$0.3 million in the first quarter of 2012.

Other financial results generated a loss of \$1 million during the first quarter of 2013, compared to a loss of \$10 million in the previous quarter and a gain of \$13 million during the first quarter of 2012. These results largely reflect gains and losses on net foreign exchange transactions and the fair value of derivative instruments.

Equity in earnings of associated companies generated a gain of \$12 million in the first quarter of 2013, compared to a loss of \$108 million in the previous quarter and a gain of \$14 million in the first quarter of 2012. These results are mainly derived from our equity investment in Ternium (NYSE:TX) and Usiminas. In the previous quarter, these results were negatively affected by the impairment recorded on our investment in Usiminas.

Income tax charges totaled \$134 million in the first quarter of 2013, equivalent to 24.6% of income before equity in earnings of associated companies and income tax, compared to \$112 million, or 19.6% in the previous quarter and \$145 million or 25.0% in the first quarter of 2012.

Results attributable to non-controlling interests amounted to losses of \$2 million in the first quarter of 2013, compared to losses of \$7 million in the previous quarter and gains of \$10 million in the first quarter of 2012.

Cash Flow and Liquidity

Net cash provided by operations during the first quarter of 2013 was \$563 million, compared to \$347 million in the previous quarter and \$608 million in the first quarter of 2012.

Capital expenditures amounted to \$184 million for the first quarter of 2013, compared to \$202 million in the previous quarter and \$196 million in the first quarter of 2012.

At the end of the quarter, our net cash position (cash and other current investments less total borrowings) amounted to \$121 million.

Conference call

Tenaris will hold a conference call to discuss the above reported results, on May 2, 2013, at 09:00 a.m. (Eastern Time). Following a brief summary, the conference call will be opened to questions. To access the conference call dial in +1 866 318.8618 within North America or +1 617 399.5137 Internationally. The access number is "70135173". Please dial in 10 minutes before the scheduled start time. The conference call will be also available by webcast at www.tenaris.com/investors

A replay of the conference call will be available on our webpage <http://ir.tenaris.com/> or by phone from 12:00 pm on May 2 through 12:00 am on May 9. To access the replay by phone, please dial +1 888 286.8010 or +1 617 801.6888 and enter passcode "88385058" 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)

| | Three-month period ended March 31, | |
|---|------------------------------------|--------------|
| | 2013 | 2012 |
| Continuing operations | | Unaudited |
| Net sales | 2,678,305 | 2,617,349 |
| Cost of sales | (1,645,432) | (1,611,097) |
| Gross profit | 1,032,873 | 1,006,252 |
| Selling, general and administrative expenses | (475,565) | (444,143) |
| Other operating income (expense) net | (3,723) | 4,092 |
| Operating income | 553,585 | 566,201 |
| Interest income | 6,081 | 9,583 |
| Interest expense | (13,909) | (9,925) |
| Other financial results | (1,381) | 13,081 |
| Income before equity in earnings of associated companies and income tax | 544,376 | 578,940 |
| Equity in earnings of associated companies | 12,197 | 13,963 |
| Income before income tax | 556,573 | 592,903 |
| Income tax | (133,856) | (144,674) |
| Income for the period | 422,717 | 448,229 |
| Attributable to: | | |
| Owners of the parent | 424,777 | 438,641 |
| Non-controlling interests | (2,060) | 9,588 |
| | 422,717 | 448,229 |

Consolidated Condensed Interim Statement of Financial Position

| (all amounts in thousands of U.S. dollars) | At March 31, 2013 Unaudited | | At December 31, 2012 | |
|---|--------------------------------|-------------------|----------------------|-------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment, net | 4,490,305 | | 4,434,970 | |
| Intangible assets, net | 3,161,011 | | 3,199,916 | |
| Investments in associated companies | 985,230 | | 977,011 | |
| Other investments | 2,532 | | 2,603 | |
| Deferred tax assets | 201,599 | | 215,867 | |
| Receivables | 128,921 | 8,969,598 | 142,060 | 8,972,427 |
| Current assets | | | | |
| Inventories | 2,894,456 | | 2,985,805 | |
| Receivables and prepayments | 256,572 | | 260,532 | |
| Current tax assets | 141,359 | | 175,562 | |
| Trade receivables | 2,076,099 | | 2,070,778 | |
| Available for sale assets | 21,572 | | 21,572 | |
| Other investments | 802,991 | | 644,409 | |
| Cash and cash equivalents | 948,777 | 7,141,826 | 828,458 | 6,987,116 |
| Total assets | | 16,111,424 | | 15,959,543 |
| EQUITY | | | | |
| Capital and reserves attributable to owners of the parent | | 11,735,821 | | 11,328,031 |
| Non-controlling interests | | 156,648 | | 171,561 |
| Total equity | | 11,892,469 | | 11,499,592 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Borrowings | 491,049 | | 532,407 | |
| Deferred tax liabilities | 696,401 | | 728,541 | |
| Other liabilities | 308,084 | | 302,444 | |
| Provisions | 72,555 | 1,568,089 | 67,185 | 1,630,577 |
| Current liabilities | | | | |
| Borrowings | 1,139,799 | | 1,211,785 | |
| Current tax liabilities | 242,836 | | 254,603 | |
| Other liabilities | 333,917 | | 318,828 | |
| Provisions | 24,889 | | 26,958 | |
| Customer advances | 92,409 | | 134,010 | |
| Trade payables | 817,016 | 2,650,866 | 883,190 | 2,829,374 |
| Total liabilities | | 4,218,955 | | 4,459,951 |
| Total equity and liabilities | | 16,111,424 | | 15,959,543 |

Consolidated Condensed Interim Statement of Cash Flows

| (all amounts in thousands of U.S. dollars) | Three-month period ended March 31, | |
|---|---------------------------------------|------------|
| | 2013 | 2012 |
| | Unaudited | |
| Cash flows from operating activities | | |
| Income for the period | 422,717 | 448,229 |
| Adjustments for: | | |
| Depreciation and amortization | 145,370 | 138,159 |
| Income tax accruals less payments | 15,213 | 49,495 |
| Equity in earnings of associated companies | (12,197) | (13,963) |
| Interest accruals less payments, net | (30,725) | (18,293) |
| Changes in provisions | 3,134 | (8,131) |
| Changes in working capital | 16,321 | (1,796) |
| Other, including currency translation adjustment | 3,578 | 14,237 |
| Net cash provided by operating activities | 563,411 | 607,937 |
| Cash flows from investing activities | | |
| Capital expenditures | (183,885) | (196,395) |
| Acquisition of associated companies | - | (504,597) |
| Proceeds from disposal of property, plant and equipment and intangible assets | 4,386 | 1,532 |
| Dividends received from associated companies | 1,196 | - |
| Changes in investments in short terms securities | (158,582) | 10,583 |
| Net cash used in investing activities | (336,885) | (688,877) |
| Cash flows from financing activities | | |
| Dividends paid to non-controlling interest in subsidiaries | (16,671) | (905) |
| Acquisitions of non-controlling interests | (538) | (12) |
| Proceeds from borrowings | 625,732 | 545,779 |
| Repayments of borrowings | (677,045) | (237,103) |
| Net cash used in financing activities | (68,522) | 307,759 |
| Increase in cash and cash equivalents | 158,004 | 226,819 |
| Movement in cash and cash equivalents | | |
| At the beginning of the period | 772,656 | 815,032 |
| Effect of exchange rate changes | (5,106) | 18,708 |
| Increase in cash and cash equivalents | 158,004 | 226,819 |
| At March 31, | 925,554 | 1,060,559 |
| | At March 31, | |
| Cash and cash equivalents | 2013 | 2012 |
| Cash and bank deposits | 948,777 | 1,076,803 |
| Bank overdrafts | (23,223) | (16,244) |
| | 925,554 | 1,060,559 |

