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For Immediate Release

WEBCO INDUSTRIES, INC. REPORTS FISCAL 2021 FIRST QUARTER RESULTS

SAND SPRINGS, Oklahoma, December 3, 2020 – Webco Industries, Inc. (OTC: WEBC) today reported results for our first quarter of fiscal year 2021, which ended October 31, 2020.

Dana S. Weber, Chief Executive Officer and Chairwoman, stated, "COVID-19 and low oil prices (the "Current Business Environment") continue to have a fundamental impact on our business, much like the rest of the country and world. The COVID-19 pandemic began impacting our business mid-way through our third quarter of fiscal year 2020 and accelerated in scope and scale into the fourth quarter of fiscal year 2020. Despite recent increases in national and world-wide COVID-19 cases, our non-energy related business improved significantly in the first quarter of fiscal year 2021. Our revenue levels remain below pre-pandemic levels because of lower energy-related business levels, and lower average steel costs that affect pricing arrangements."

Dana S. Weber, concluded by saying, "While the Current Business Environment is challenging, we are pleased with our organization's demonstrated agility. We have continued our efforts, which we began almost two years ago, to reduce our debt and increase our liquidity. Over that period, we have reduced our outstanding long-term debt by $72.2 million, to a balance of $47.0 million, and increased our combined cash and availability to $62.9 million, which we believe is a competitive advantage."

For our first quarter of fiscal year 2021, we had a net loss of $0.2 million, or $0.19 per diluted share, while in our first quarter of fiscal year 2020, we generated net income of $3.2 million, or $3.46 per diluted share. Net sales for the first quarter of fiscal 2021 were $99.8 million, an 18.5 percent decrease from the $122.5 million of net sales in last year's first quarter. All comparisons between the current and prior year first fiscal quarters are impacted by the Current Business Environment.

In the first quarter of fiscal year 2021, we had income from operations of $0.2 million after depreciation of $3.5 million. The first fiscal quarter of the prior year generated income from operations of $4.8 million after depreciation of $3.5 million. Gross profit for the first quarter of fiscal 2021 was $7.3 million, or 7.3 percent of net sales, compared to $13.6 million, or 11.1 percent of net sales, for the first quarter of fiscal year 2020. All comparisons are impacted by the Current Business Environment.

Selling, general and administrative expenses were $7.1 million in the first quarter of fiscal 2021 and $8.8 million in the first quarter of fiscal 2020. SG&A expenses for the first quarter of fiscal year 2021 reflect discretionary spending reductions and lower costs associated with decreased profitability, such as company-wide incentive compensation and variable pay programs.

Interest expense was $0.4 million and $0.9 million in the first quarters of fiscal years 2021 and 2020, respectively. The differential in interest expense between the periods is due to a combination of lower interest rates and lower average debt levels.

Our effective tax rates for the first quarters of fiscal year 2021 and 2020 are generally lower than the expected rate of 23%. The divergence of our actual tax rate is attributable to lower taxable income levels, which have accentuated the impact of various tax credits earned, and items that are recognized differently in our financial statements than for taxes.

Capital expenditures incurred amounted to $4.2 million in the first quarter of fiscal year 2021. Our capital investments were largely focused on improving our efficiencies, yields, quality and capabilities.

As of October 31, 2020, we had $6.2 million in cash, in addition to $56.7 million of available borrowing under our $160 million senior revolving credit facility, which had $35.0 million drawn. Availability on the revolver is subject to advance rates on eligible accounts receivable and inventories. Our term and revolver mature in March 2022. Accounting rules require asset-based debt agreements like our revolver to be classified as a current liability, despite its March 2022 maturity.

Webco's stock repurchase program authorizes the purchase of up to $10 million of our outstanding common stock, in private or open market transactions. From the beginning of fiscal year 2020 through mid-third fiscal quarter, we acquired 36,306 shares and have not subsequently purchased any shares. Stock repurchases are subject to our ability to identify shares to repurchase, the willingness of shareholders to pursue a sale of their shares to the Company, price and other market considerations, including that we do not know the identity of a significant number of our shareholders. Further, debt covenants and banking considerations may restrict the amount and timing of future stock repurchases the Company may wish to pursue, if any. There is no guarantee as to the number or dollar value of shares the Company may wish to, or be able to, repurchase in the future. While we have not purchased shares since the onset of the pandemic, we will evaluate further share purchase opportunities based on the circumstances at that time. 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 on 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.

Forward-looking statements: Certain statements in this release, including, but not limited to, those preceded by or predicated upon the words "anticipates," "appears," "available," "believes," "can," "consider," "expects," "forever," "hopes," "intends," "plans," "projects," "pursue," "should," "wishes," "would," or similar words 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; low hydrocarbon prices; competition from foreign imports, including any impacts associated with dumping or the strength of the U.S. dollar; changes in manufacturing technology; banking environment, including availability of adequate financing; worldwide and domestic monetary policy; changes in tax rates and regulation; changes in import / export tariff or restrictions; raw material cost and availability; problems associated with product development efforts; the cost and availability of manufacturing supplies, including process gasses; appraised values of inventories which 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; third-party product liability claims; fire, flood, tornado, and other natural disasters; customer or supplier bankruptcy; customer or supplier declarations of force majeure; insurance cost and availability; lack of insurance coverage for floods; the cost associated with providing healthcare benefits to employees; customer claims; technical and data *processing capabilities; cyberattack on our information technology infrastructure; world or domestic health crisis; and our ability to repurchase the Company's stock. The Company assumes no obligation to update publicly such forward-looking statements.*

\- TABLES FOLLOW -

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

	Three Months Ended		
	October 31,		July 31, 2020
	2020	2019	
Net sales	$ 99,800	$ 122,489	$ 89,126
Cost of sales	92,526	108,925	86,300
Gross profit	7,274	13,564	2,826
Selling, general & administrative expenses	7,066	8,754	4,682
Income (loss) from operations	209	4,810	(1,856)
Interest expense	396	906	416
(Gain) loss on interest contracts	-	68	-
Pretax income (loss)	(188)	3,836	(2,271)
Provision for (benefit from) income taxes	(32)	673	(1,169)
Net income (loss)	$ (156)	$ 3,163	$ (1,103)
Net income (loss) per share:			
Basic	$ (0.19)	$ 3.85	$ (1.35)
Diluted	$ (0.19)	$ 3.46	$ (1.35)
Weighted average common shares outstanding:			
Basic	814,100	822,600	813,900
Diluted	814,100	913,100	813,900

CASH FLOW DATA
(Dollars in thousands - Unaudited)

	Three Months Ended		
	October 31,		July 31, 2020
	2020	2019	
Net cash provided by (used in) operating activities	$ 12,593	$ 11,059	$ 23,588
Depreciation and amortization	$ 3,581	$ 3,520	$ 3,538
Cash paid for capital expenditures	$ 4,109	$ 5,111	$ (419)

Notes: Amounts may not sum due to rounding.
Fiscal year 2020 fourth quarter data is presented for reference purposes only.

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

	October 31, 2020	July 31, 2020	July 31, 2019
Current assets:			
Cash	$ 6,245	$ 4,600	$ 7,140
Accounts receivable, net	48,886	41,655	59,358
Inventories, net	112,529	135,764	176,418
Prepaid expenses	7,425	5,606	11,649
Total current assets	175,084	187,624	254,565
Property, plant and equipment, net	111,683	110,914	112,260
Right of use, finance leases, net	1,469	1,560	241
Right of use, operating leases, net	22,221	22,137	-
Other long-term assets	5,578	5,495	3,943
Total assets	$ 317,035	$ 327,730	$ 371,009
Current liabilities:			
Accounts payable	$ 8,306	$ 14,453	$ 27,006
Accrued liabilities	16,261	14,690	19,367
Current portion of long-term debt, net	34,935	41,468	88,558
Current portion of finance lease liabilities	494	485	68
Current portion of operating lease liabilities	4,721	4,835	-
Total current liabilities	64,717	75,931	134,999
Long-term debt, net of current portion	12,000	12,000	12,000
Finance lease liabilities, net of current portion	994	1,086	178
Operating lease liabilities, net of current portion	18,505	17,304	-
Deferred tax liabilities	4,191	4,901	8,677
Stockholders' equity:			
Common stock, $0.01 par value, 12,000,000 shares authorized, 869,680, 869,287 and 890,163 outstanding respectively	9	9	9
Additional paid-in capital	51,154	50,874	50,815
Retained earnings	165,464	165,624	164,332
Total stockholders' equity	216,627	216,507	215,155
Total liabilities and stockholders' equity	$ 317,035	$ 327,730	$ 371,009

Notes: Amounts may not sum due to rounding.
The balance sheet data at July 31, 2019 is provided for reference purposes only.