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For Immediate Release

WEBCO INDUSTRIES, INC. REPORTS FISCAL 2020 FOURTH QUARTER AND YEAR END RESULTS

SAND SPRINGS, Oklahoma, September 24, 2020 – Webco Industries, Inc. (OTC: WEBC) today reported results for our fourth quarter of fiscal year 2020, which ended July 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 fiscal quarter and accelerated in scope and scale into the fourth quarter of fiscal year 2020. Elements of our business improved toward the end of the current fourth fiscal quarter, while other industries we serve continue to suffer, notably those that are energy-related. Our revenue levels are significantly below where they were before the pandemic began. Our priority is the health and well-being of our Trusted Teammates. We continue to deploy numerous processes and practices aimed at reducing the likelihood of having COVID-19 contracted and spread in our facilities and communities, including CDC recommended hygiene practices. We initially allowed our teammates who could reasonably work from their home, to do so, although most have since returned to the workplace. Although not required by law, we chose to adopt a COVID-19 paid-time-off program to support our employees quarantined, furloughed, or needing to care for family members. We also covered the cost of benefits for our furloughed employees. The cost of the paid-time-off and covered benefits for furloughed employees amounted to $0.5 million in the current fourth quarter and $1.0 million in fiscal year 2020."

David E. Boyer, President, commented, "The Current Business Environment disrupted supply channels, customer demand and employee availability. Some segments of industries we serve simply closed for an extended period, while others were intermittently closed as they dealt with COVID-19 cases in the workplace. Because of the re-opening of some of those businesses, overall demand has increased but has not recovered to pre-pandemic levels. We worked to right size our operations based on our expected business levels and reduced expenses where it made sense without sacrificing our capabilities or ability to serve our customers. In anticipation that business levels would recover to some degree, we used furlough with continued benefit coverage to reduce our number of active employees when reasonable. While this did not allow us to reduce our expenses as much as we otherwise could, it affirmed the fact that our highly trained and engaged workforce is our greatest asset."

Dana S. Weber, concluded by saying, "The Current Business Environment is challenging, and we are pleased with our organization's demonstrated agility. In addition to right-sizing our operations, we increased efforts that began 18 months ago to bolster our liquidity and reduce our debt. Over that period, we reduced our outstanding long-term debt by $65.9 million, to a balance of $53.6 million, and increased our combined cash and availability to $62.2 million, which we believe is a competitive advantage."

For our fourth quarter of fiscal year 2020, we had a net loss of $1.1 million, or $1.35 per diluted share, while in our fourth quarter of fiscal year 2019, we generated net income of $4.3 million, or $4.69 per diluted share. Net sales for the fourth quarter of fiscal 2020 were $89.1 million, a 31.4 percent decrease from the $130.0 million of net sales in last year's fourth quarter. All comparisons between the current and prior year fourth fiscal quarters are impacted by the Current Business Environment. We created additional reserves for inventories totaling $2.1 million in the current fourth quarter due to the current macro-economic climate, compared to a decrease in inventory reserves of $1.2 million in the prior fourth quarter. We had expenses of $0.5 million for COVID-19 related paid-time-off and benefits for furloughed employees in the fourth quarter of fiscal 2020. In the fourth quarter of fiscal year 2020, we received $1.1 million in insurance proceeds related to the May 2019 Oklahoma flood.

For fiscal year 2020, we generated net income of $4.2 million, or $4.74 per diluted share, compared to net income of $25.6 million, or $27.78 per diluted share, for fiscal year 2019. Net sales for the current fiscal year amounted to $428.8 million, a 21.8 percent decrease from the $548.6 million in sales for last fiscal year. Net bad debt and inventory reserves created in fiscal year 2020 totaled $4.6 million compared to $2.7 million in fiscal year 2019. COVID-19 related paid-time-off and benefits for furloughed employees in fiscal year 2020 amounted to $1.0 million. Insurance recoveries in fiscal year 2020 from prior year casualty losses totaled $1.5 million.

In the fourth quarter of fiscal year 2020, we had a loss from operations of $1.9 million after depreciation of $3.5 million. The fourth fiscal quarter of the prior year generated income from operations of $5.1 million after depreciation of $3.4 million. Gross profit for the fourth quarter of fiscal 2020 was $2.8 million, or 3.4 percent of net sales, compared to $11.4 million, or 8.8 percent of net sales, for the fourth quarter of fiscal year 2019. All comparisons are impacted by the Current Business Environment.

Our income from operations for fiscal year 2020 was $6.8 million after depreciation expense of $13.8 million. Income from operations in fiscal year 2019 was $37.1 million after depreciation expense of $13.4 million. Gross profit for fiscal year 2020 was $38.0 million, or 8.9 percent of net sales, compared to $73.6 million, or 13.4 percent of net sales for fiscal year 2019.

Selling, general and administrative expenses were $4.7 million in the fourth quarter of fiscal 2020 and $6.3 million in the fourth quarter of fiscal 2019. SG&A expenses were $31.2 million in fiscal year 2020 and $36.5 million for fiscal year 2019. SG&A expenses for fiscal year 2020 reflect discretionary spending reductions and lower costs associated with decreased profitability, such as company-wide incentive compensation and variable pay programs. SG&A in the current fourth quarter and fiscal year reflect $0.5 million and $1.0 million in COVID-19 paid-time-off and covered benefits for furloughed employees. The current fourth quarter and fiscal year also include $1.1 million in insurance recoveries from 2019 casualty losses, including the May 2019 Oklahoma flood.

Interest expense was $0.4 million and $1.0 million in the fourth quarters of fiscal years 2020 and 2019, respectively. Interest expense was $2.8 million and $4.9 million in the current and prior fiscal year, 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 both the fourth quarter and fiscal 2020 are significantly different from 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.

In the first quarter of fiscal year 2020, we adopted the new accounting standards for reporting leases and, upon that implementation, recorded right of use assets and related lease liabilities for outstanding lease obligations. The accounting rules generally require us to record a right of use asset and lease liability for the present value of the future payments we will make on new, modified or renewed leases, which previously would not have been recorded on the balance sheet. The right of use asset is amortized over the life of the lease and the liability is reduced as payments are made on the obligations. The adoption of this accounting rule did not have a material impact on our consolidated statements of operations.

Capital expenditures incurred amounted to a negative $1.6 million in the fourth quarter of fiscal year 2020, due to the lease financing of an asset on which progress payments by Webco had been capitalized, and a positive $12.7 million for the fiscal year. Our capital investments were largely focused on improving our efficiencies, yields, quality and capabilities.

We had $4.6 million in cash, in addition to $57.6 million of available borrowing under our $160 million senior revolving credit facility, which had $41.6 million drawn at July 31, 2020. 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; fourth-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 STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share data - Unaudited)

	Three Months Ended July 31, 2020	Three Months Ended July 31, 2019	Year Ended July 31, 2020	Year Ended July 31, 2019
Net sales	$ 89,126	$ 129,977	428,830	$ 548,581
Cost of sales	86,300	118,598	390,853	474,956
Gross profit	2,826	11,379	37,977	73,625
Selling, general & administrative expenses	4,682	6,270	31,150	36,539
Income (loss) from operations	(1,856)	5,109	6,827	37,086
Interest expense	416	1,014	2,786	4,883
(Gain) loss on interest contracts	-	138	65	488
Pretax income (loss)	(2,271)	3,957	3,976	31,715
Provision for (benefit from) income taxes	(1,169)	(377)	(264)	6,110
Net income (loss)	$ (1,103)	$ 4,334	$ 4,240	$ 25,605
Net income (loss) per share:				
Basic	$ (1.35)	$ 5.23	$ 5.20	$ 31.15
Diluted	$ (1.35)	$ 4.69	$ 4.74	$ 27.78
Weighted average common shares outstanding:				
Basic	814,000	829,000	816,000	822,000
Diluted	814,000	924,000	895,000	922,000

WEBCO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW DATA
(Dollars in thousands - Unaudited)

	Three Months Ended July 31, 2020	Three Months Ended July 31, 2019	Year Ended July 31, 2020	Year Ended July 31, 2019
Net cash from (used in) operating activities	$ 23,588	$ 22,636	$ 62,700	$ 51,765
Depreciation and amortization	$ 3,538	$ 3,458	$ 13,999	$ 13,611
Cash paid for capital expenditures	$ (419)	$ 7,330	$ 15,656	$ 19,716

Note: Amounts may not sum due to rounding.

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

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

Note: Amounts may not sum due to rounding.