



INTERPIPE HOLDINGS PLC

Consolidated Financial Statements

Consolidated statement of financial position
Consolidated statement of comprehensive income
Consolidated statement of changes in equity
Consolidated statement of cash flows

Six Months Ended 30 June 2021

INTERPIPE HOLDINGS PLC

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INTERPIPE HOLDINGS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021 (in US dollar and in thousands)



	30 June 2021	31 December 2020
ASSETS		
Non-current assets		
Property, plant and equipment	510,494	487,756
Intangible assets and goodwill	4,353	3,702
Investments in associates	796	723
Investment in joint venture	2,547	2,614
Deferred tax assets	8,882	24,219
Prepaid income tax	165	168
Other non-current assets	12,819	168
	540,056	519,350
Current assets		
Inventories	165,423	153,861
Trade and other accounts receivable	130,820	105,230
Prepayments and other current assets	32,153	31,306
Prepaid current income tax	2,446	2,868
Taxes recoverable, other than income tax	23,952	18,684
Cash and cash equivalents	206,008	96,631
	560,802	408,580
TOTAL ASSETS	1,100,858	927,930
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Issued capital, net of unpaid	5	5
Share premium	94,277	94,277
Revaluation reserve	380,669	389,390
Retained earnings	1,050,539	1,242,919
Foreign currency translation reserve	(1,172,878)	(1,216,299)
	352,612	510,292
Non-controlling interests	11,600	10,194
Total equity	364,212	520,486
Non-current liabilities		
Shareholder's loan	49,149	46,827
Long-term borrowings	410,133	117,914
Deferred tax liabilities	31,527	29,835
Provisions	42,302	40,212
	533,111	234,788
Current liabilities		
Current portion of the long-term borrowings and interest accrued and payable	4,456	836
Trade and other accounts payable	72,577	57,104
Advances and other current liabilities	56,278	62,124
Dividends payable to shareholders	40,000	-
Current income tax payable	19,299	13,051
Taxes payable, other than income tax	4,468	4,223
Provisions	6,457	35,318
	203,535	172,656
Total liabilities	736,646	407,444
TOTAL EQUITY AND LIABILITIES	1,100,858	927,930

Signed and authorised for issue on behalf of the Board of the Company:

Chairman of the Board of Directors, CEO

Fadi Khraybe

Sergiy Kuz'menko

2 September 2021

INTERPIPE HOLDINGS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2021 (in US dollar and in thousands)



	For the six month ended 30 June	
	2021	2020
Revenue	460,471	468,304
Cost of sales	(309,122)	(317,666)
Gross profit	151,349	150,638
Selling and distribution expenses	(47,653)	(53,255)
General and administrative expenses	(23,139)	(17,168)
Other operating income and expenses, net	4,795	(4,090)
Operating foreign exchange difference	(22,505)	51,933
Operating profit	62,847	128,058
Finance income	713	1,046
Finance costs	(13,590)	(22,638)
Non-operating foreign exchange difference	820	17,366
Share of loss of joint venture	(66)	(137)
Share of profit / (loss) of associates	42	(200)
Profit before tax	50,766	123,495
Income tax (expense) / benefit	(21,335)	(7,966)
Profit for the period	29,431	115,529
Profit attributable to:		
Equity holders of the parent	28,448	114,912
Non-controlling interests	983	617
	29,431	115,529
Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:		
Net income on cash flow hedges	-	41,844
Exchange differences on translation of foreign operations	43,844	(143,145)
Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:	43,844	(101,301)
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods:		
Re-measurement loss on defined benefit plans	550	-
Income tax effect	(99)	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:	451	-
Other comprehensive income / (loss) for the period, net of tax:	44,295	(101,301)
Total comprehensive income / (loss) attributable to:		
Equity holders of the parent	72,320	15,051
Non-controlling interests	1,406	(823)
	73,726	14,228

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CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2021

(in US dollar and in thousands)



INTERPIPE

Attributable to equity holders of the parent

	Issued capital	Share premium	Revaluation reserve	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
At 1 January 2020	5	94,277	411,166	1,032,515	(83,689)	(1,018,198)	436,076	13,132	449,208
Profit for the period	-	-	-	114,912	-	-	114,912	617	115,529
Other comprehensive income / (loss)	-	-	-	-	41,844	(141,705)	(99,861)	(1,440)	(101,301)
Total comprehensive income / (loss)	-	-	-	114,912	41,844	(141,705)	15,051	(823)	14,228
Depreciation transfer	-	-	(11,219)	11,219	-	-	-	-	-
At 30 June 2020	5	94,277	399,947	1,158,646	(41,845)	(1,159,903)	451,127	12,309	463,436

Attributable to equity holders of the parent

	Issued capital	Share premium	Revaluation reserve	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
At 1 January 2021	5	94,277	389,390	1,242,919	-	(1,216,299)	510,292	10,194	520,486
Profit for the period	-	-	-	28,448	-	-	28,448	983	29,431
Other comprehensive income	-	-	-	451	-	43,421	43,872	423	44,295
Total comprehensive income	-	-	-	28,899	-	43,421	72,320	1,406	73,726
Depreciation transfer	-	-	(8,721)	8,721	-	-	-	-	-
Dividends declared	-	-	-	(230,000)	-	-	(230,000)	-	(230,000)
At 30 June 2021	5	94,277	380,669	1,050,539	-	(1,172,878)	352,612	11,600	364,212

INTERPIPE HOLDINGS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2021 (in US dollar and in thousands)



	For the six month ended 30 June	
	2021	2020
Profit before tax	50,766	123,495
Adjustments for:		
Depreciation and amortisation	25,806	29,151
Movement in provisions less interest cost	(33,895)	(5,497)
Loss on disposal of property, plant and equipment	51	1,860
Reclassification of the foreign exchange loss to cost of sales	-	41,844
Finance costs	13,590	22,638
Finance income	(713)	(1,046)
Share of loss of joint venture	66	137
Share of (profit) / loss of associates	(42)	200
Translation difference and foreign exchange difference	20,022	(69,430)
Operating cash flows before working capital changes	75,651	143,352
(Increase) / Decrease in inventories	(3,440)	36,623
Increase in trade and other accounts receivable	(23,693)	(1,907)
Increase in prepayments and other assets	(13,183)	(5,336)
Increase in taxes recoverable, other than income tax	(4,606)	(7,530)
Increase in trade and other accounts payable	11,739	7,030
Increase in taxes payable, other than income tax	98	1,271
Decrease in advances and other current liabilities	(3,005)	(81,136)
Cash generated from operations	39,561	92,367
Income tax paid	(1,194)	(9,229)
Interest and other finance costs paid	(3,706)	(13,800)
Net cash inflow from operating activities	34,661	69,338
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets	(31,069)	(18,750)
Proceeds from sale of property, plant and equipment	797	-
Interest received	713	1,046
Net cash outflow from investing activities	(29,559)	(17,704)
Cash flows from financing activities		
Proceeds from borrowings	300,000	-
Repayments of borrowings	(6,472)	(121,000)
Dividends paid	(190,000)	-
Net cash inflow / (outflow) from financing activities	103,528	(121,000)
Net increase / (decrease) in cash and cash equivalents	108,630	(69,366)
Net foreign exchange difference	747	8
Cash and cash equivalents at period beginning	96,631	256,148
Cash and cash equivalents at period end	206,008	186,790

**SEGMENT INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2021**
(in US dollar and in thousands)

Segment information

Segment revenues and results

<i>Six months ended 30 June 2021</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Revenue	302,000	129,372	222,050	7,633	661,055
Elimination of sales to other segments	-	-	(200,584)	-	(200,584)
Revenue – external	302,000	129,372	21,466	7,633	460,471
Operating profit / (loss)	(35,178)	4,770	91,537	1,718	62,847
Finance income					713
Finance costs					(13,590)
Non-operating foreign exchange difference					820
Share of loss of joint venture					(66)
Share of profit of associates					42
Income tax expense					(21,335)
Profit for the period					29,431

For the six months ended 30 June 2021 share of profit of associates was attributable to the seamless pipes segment.

EBITDA by segments

<i>Six month ended 30 June 2021</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Operating profit / (loss)	(35,178)	4,770	91,537	1,718	62,847
Depreciation and amortisation	8,123	5,723	11,839	121	25,806
Loss / (gain) on disposal of property, plant and equipment	(115)	98	68	-	51
Operating foreign exchange difference	16,664	2,237	3,604	-	22,505
EBITDA	(10,506)	12,828	107,048	1,839	111,209
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	63,967	37,786	(101,753)	-	-
EBITDA (on a pass-through basis)	53,461	50,614	5,295	1,839	111,209

INTERPIPE HOLDINGS PLC



SEGMENT INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (in US dollar and in thousands)

Segment revenues and results

<i>Six months ended 30 June 2020</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Revenue	231,292	216,032	147,176	5,487	599,987
Elimination of sales to other segments	-	-	(131,683)	-	(131,683)
Revenue – external	231,292	216,032	15,493	5,487	468,304
Operating profit / (loss)	(17,639)	114,744	30,516	437	128,058
Finance income					1,046
Finance costs					(22,638)
Non-operating foreign exchange difference					17,366
Share of loss of joint venture					(137)
Share of loss of associates					(200)
Income tax expense					(7,966)
Profit for the period					115,529

For the six months ended 30 June 2020 share of loss of associates was attributable to the seamless pipes segment.

EBITDA by segments

<i>Six months ended 30 June 2020</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Operating profit / (loss)	(17,639)	114,744	30,516	437	128,058
Depreciation and amortisation	12,080	4,755	12,216	100	29,151
Loss on disposal of property, plant and equipment	1,705	109	46	-	1,860
Foreign exchange cash flow hedges	34,724	6,729	341	50	41,844
Operating foreign exchange difference	(33,022)	(15,409)	(3,502)	-	(51,933)
EBITDA	(2,152)	110,928	39,617	587	148,980
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	24,553	13,122	(37,675)	-	-
EBITDA (on a pass-through basis)	22,401	124,050	1,942	587	148,980