



**INTERPIPE**

## **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 2020

**INTERPIPE HOLDINGS PLC**

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# INTERPIPE HOLDINGS PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020 (in US dollar and in thousands)



	30 June 2020	31 December 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	522,729	602,233
Intangible assets and goodwill	3,491	3,453
Investments in associates	900	1,222
Investment in joint venture	2,724	2,861
Deferred tax assets	33,486	35,966
Prepaid income tax	176	186
Other non-current assets	171	256
	<b>563,677</b>	<b>646,177</b>
<b>Current assets</b>		
Inventories	140,806	195,000
Trade and other accounts receivable	111,852	120,255
Prepayments and other current assets	32,399	29,592
Prepaid current income tax	3,094	3,378
Taxes recoverable, other than income tax	23,466	17,597
Cash and cash equivalents	186,790	256,148
	<b>498,407</b>	<b>621,970</b>
<b>TOTAL ASSETS</b>	<b>1,062,084</b>	<b>1,268,147</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Issued capital, net of unpaid	5	5
Share premium	94,277	94,277
Revaluation reserve	399,947	411,166
Retained earnings	1,158,646	1,032,515
Cash flow hedge reserve	(41,845)	(83,689)
Foreign currency translation reserve	(1,159,903)	(1,018,198)
	451,127	436,076
<b>Non-controlling interests</b>	12,309	13,132
<b>Total equity</b>	<b>463,436</b>	<b>449,208</b>
<b>Non-current liabilities</b>		
Subordinated loan	44,579	42,462
Long-term borrowings	300,293	296,449
Deferred tax liabilities	25,091	20,741
Provisions	32,304	35,609
	<b>402,267</b>	<b>395,261</b>
<b>Current liabilities</b>		
Current portion of the long-term borrowings and interest accrued and payable	565	122,560
Trade and other accounts payable	59,848	59,718
Advances and other current liabilities	56,939	150,362
Current income tax payable	5,942	12,612
Taxes payable, other than income tax	5,039	4,156
Provisions	68,048	74,270
	<b>196,381</b>	<b>423,678</b>
<b>Total liabilities</b>	<b>598,648</b>	<b>818,939</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,062,084</b>	<b>1,268,147</b>

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

Member of the Board, Chief Executive Officer

Fadi Khraybe

Chief Financial Officer

Denys Morozov

21 September 2020

# INTERPIPE HOLDINGS PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2020

(in US dollar and in thousands)



INTERPIPE

	For the six month ended 30 June	
	2020	2019
Revenue	468,304	557,166
Cost of sales	(317,666)	(395,996)
<b>Gross profit</b>	<b>150,638</b>	<b>161,170</b>
Selling and distribution expenses	(53,255)	(64,729)
General and administrative expenses	(17,168)	(27,507)
Other operating income and expenses	(4,090)	5,635
Operating foreign exchange difference	51,933	(11,002)
<b>Operating profit</b>	<b>128,058</b>	<b>63,567</b>
Finance income	1,046	1,354
Finance costs	(22,638)	(72,064)
Non-operating foreign exchange difference	17,366	(11,379)
Share of loss of joint venture	(137)	(104)
Share of loss of associates	(200)	(164)
<b>Profit / (loss) before tax</b>	<b>123,495</b>	<b>(18,790)</b>
Income tax	(7,966)	(6,627)
<b>Profit / (loss) for the period</b>	<b>115,529</b>	<b>(25,417)</b>
<b>Profit / (loss) attributable to:</b>		
Equity holders of the parent	114,912	(29,603)
Non-controlling interests	617	4,186
	<b>115,529</b>	<b>(25,417)</b>
<b>Other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods:</b>		
Net income on cash flow hedges	41,844	53,558
Exchange differences on translation of foreign operations	(143,145)	34,025
<b>Net other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods:</b>	<b>(101,301)</b>	<b>87,583</b>
<b>Other comprehensive (loss) / income for the year, net of tax:</b>	<b>(101,301)</b>	<b>87,583</b>
<b>Total comprehensive (loss) / income attributable to:</b>		
Equity holders of the parent	15,051	57,593
Non-controlling interests	(823)	4,573
	<b>14,228</b>	<b>62,166</b>

**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2020**  
*(in US dollar and in thousands)*



**Attributable to equity holders of the parent**

	Issued capital	Share premium	Revaluation reserve	Accumulated deficit	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
<b>At 1 January 2019</b>	62,304	426,065	434,151	(281,229)	(183,283)	(1,132,256)	(674,248)	4,749	(669,499)
Profit / (loss) for the period	-	-	-	(29,603)	-	-	(29,603)	4,186	(25,417)
Other comprehensive income	-	-	-	-	53,558	33,638	87,196	387	87,583
Total comprehensive income / (loss)	-	-	-	(29,603)	53,558	33,638	57,593	4,573	62,166
Depreciation transfer	-	-	(10,762)	10,762	-	-	-	-	-
<b>At 30 June 2019</b>	62,304	426,065	423,389	(300,070)	(129,725)	(1,098,618)	(616,655)	9,322	(607,333)

**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
<b>At 1 January 2020</b>	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	-	-	-	-	-
<b>At 30 June 2020</b>	5	94,277	399,947	1,158,646	(41,845)	(1,159,903)	451,127	12,309	463,436

# INTERPIPE HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2020

(in US dollar and in thousands)



	For the six month ended 30 June	
	2020	2019
<b>Profit / (loss) before tax</b>	<b>123,495</b>	<b>(18,790)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	29,151	22,235
Movement in provisions less interest cost	(5,497)	10,950
Loss on disposal of property, plant and equipment	1,860	1,286
Reclassification of the foreign exchange loss to cost of sales	41,844	27,347
Finance costs	22,638	72,064
Finance income	(1,046)	(1,354)
Share of loss of joint venture	137	104
Share of loss of associates	200	164
Translation difference and foreign exchange difference	(69,430)	23,176
<b>Operating cash flows before working capital changes</b>	<b>143,352</b>	<b>137,182</b>
Decrease / (increase) in inventories	36,623	(42,287)
Increase in trade and other accounts receivable	(1,907)	(26,137)
(Increase) / decrease in prepayments and other assets	(5,336)	11,995
(Increase) / decrease in taxes recoverable, other than income tax	(7,530)	2,233
Increase / (decrease) in trade and other accounts payable	7,030	(2,352)
Increase in taxes payable, other than income tax	1,271	1,005
(Decrease) / increase in advances and other current liabilities	(81,136)	13,711
<b>Cash generated from operations</b>	<b>92,367</b>	<b>95,350</b>
Income tax paid	(9,229)	(1,419)
Interest and other finance costs paid	(13,800)	(3,167)
<b>Net cash inflow from operating activities</b>	<b>69,338</b>	<b>90,764</b>
<b>Cash flow from investing activities</b>		
Purchases of property, plant and equipment and intangible assets	(18,750)	(24,304)
Proceeds from sale of property, plant and equipment	-	14
Interest received	1,046	1,396
<b>Net cash outflow from investing activities</b>	<b>(17,704)</b>	<b>(22,894)</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowings	(121,000)	(49)
<b>Net cash outflow from financing activities</b>	<b>(121,000)</b>	<b>(49)</b>
Net (decrease) / increase in cash and cash equivalents	(69,366)	67,821
Net foreign exchange difference	8	1,292
<b>Cash and cash equivalents at period beginning</b>	<b>256,148</b>	<b>130,884</b>
<b>Cash and cash equivalents at period end</b>	<b>186,790</b>	<b>199,997</b>

# INTERPIPE HOLDINGS PLC



## SEGMENT INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2020 (in US dollar and in thousands)

### Segment information

#### 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)
<b>Revenue – external</b>	<b>231,292</b>	<b>216,032</b>	<b>15,493</b>	<b>5,487</b>	<b>468,304</b>
<b>Operating profit / (loss)</b>	<b>(17,639)</b>	<b>114,744</b>	<b>30,516</b>	<b>437</b>	<b>128,058</b>
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					(7,966)
<b>Profit for the period</b>					<b>115,529</b>

For the six months ended 30 June 2020 share of profit 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)
<b>EBITDA</b>	<b>(2,152)</b>	<b>110,928</b>	<b>39,617</b>	<b>587</b>	<b>148,980</b>
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	24,553	13,122	(37,675)	-	-
<b>EBITDA (on a pass-through basis)</b>	<b>22,401</b>	<b>124,050</b>	<b>1,942</b>	<b>587</b>	<b>148,980</b>

# INTERPIPE HOLDINGS PLC

## SEGMENT INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2020 (in US dollar and in thousands)



### Segment revenues and results

<i>Six months ended 30 June 2019</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Revenue	362,799	175,562	241,445	7,034	786,840
Elimination of sales to other segments	-	-	(229,674)	-	(229,674)
<b>Revenue – external</b>	<b>362,799</b>	<b>175,562</b>	<b>11,771</b>	<b>7,034</b>	<b>557,166</b>
<b>Operating profit</b>	<b>689</b>	<b>55,435</b>	<b>6,809</b>	<b>634</b>	<b>63,567</b>
Finance income					1,354
Finance costs					(72,064)
Non-operating foreign exchange difference					(11,379)
Share of loss of joint venture					(104)
Share of loss of associates					(164)
Income tax					(6,627)
<b>Loss for the period</b>					<b>(25,417)</b>

For the six months ended 30 June 2019 share of profit of associates was attributable to the seamless pipes segment.

### EBITDA by segments

<i>Six months ended 30 June 2019</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Operating profit	689	55,435	6,809	634	63,567
Depreciation and amortisation	7,560	3,000	11,618	57	22,235
Loss on disposal of property, plant and equipment	727	562	(3)	-	1,286
Foreign exchange cash flow hedges	26,404	565	378	-	27,347
Operating foreign exchange difference	9,126	666	1,210	-	11,002
<b>EBITDA</b>	<b>44,506</b>	<b>60,228</b>	<b>20,012</b>	<b>691</b>	<b>125,437</b>
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	13,571	5,152	(18,723)	-	-
<b>EBITDA (on a pass-through basis)</b>	<b>58,077</b>	<b>65,380</b>	<b>1,289</b>	<b>691</b>	<b>125,437</b>