

PRESS RELEASE

June 22, 2020



Interpipe releases report on operations for May 2020

Interpipe, a global producer of steel pipes and railway products, has released (via Interpipe Holdings Plc) its monthly report on operations for May 2020

Operational Highlights

COVID-19 outbreak consequences and low oil price environment continued undermining OCTG sales in May while welded pipe and linepipe product sales rebounded comparing to the plunge earlier in April:

- OCTG sales fell to their lowest level since the global oil&gas crunch appeared as demand contracted further – minus 36.2% m-o-m
- Linepipe sales recovered by 83.4% m-o-m amid the lockdown-easing measures were implemented. Resumption of sales to the UAE made the largest contribution of 39% to the total monthly growth
- Sales in the mechanical segment were marginally down by 3% m-o-m due to lower deliveries to Europe as some regular customers had received larger volumes earlier in April
- Welded product sales improved significantly by 2.3x m-o-m as main consuming countries were continuing to recover from the quarantine restrictions and distributors required swift restocking after weak purchasing activity in the previous months

Certain growth of sales was observed in the railway product segment in May (by 8.1% m-o-m):

- Reinstatement of the 34.22% anti-dumping duty on Ukrainian railway wheels in the Customs Union starting from June 1, 2020 was being discussed and distributors endeavored to build up their stock to the limit before the duty comes in force
- Renewed sales of wheelsets to Europe (+ 24.9% m-o-m) additionally contributed to the monthly sales growth of this segment



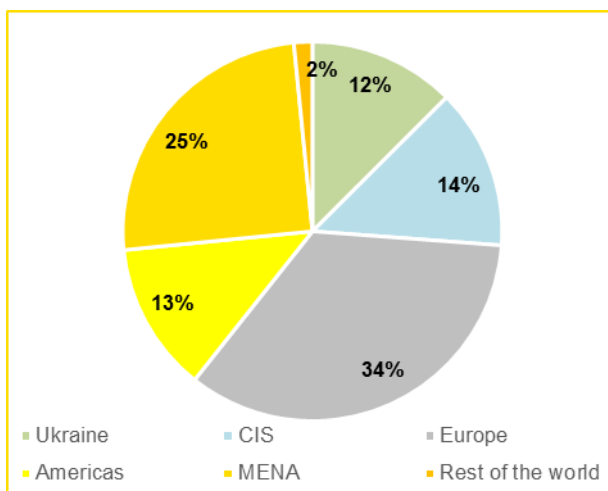
INTERPIPE

Report On Operations

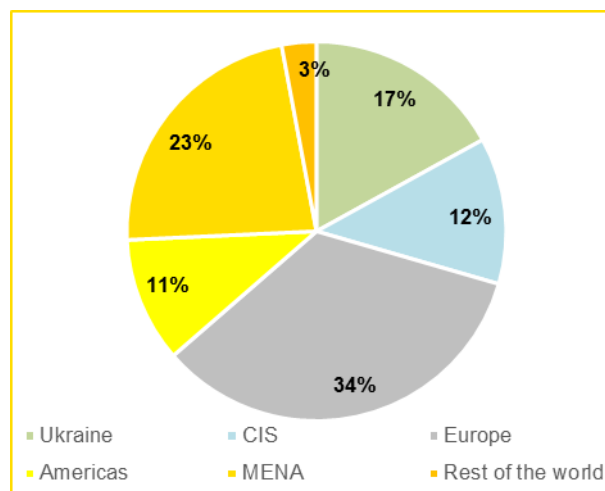
#	Product	May 2020		5 months 2020		Change	
		Thousands tons	% of total ²	Thousands tons	% of total ²	% m-o-m	5 months 2020, % y-o-y
Production							
1.	Steel	60,8	n/a	333,2	n/a	9,2%	-16,9%
2.	Pipes, o/w:	40,4	69,7%	194,2	68,4%	0,1%	-33,8%
2.1.	<u>Seamless, o/w:</u>	<u>33,7</u>	<u>58,2%</u>	<u>165,8</u>	<u>58,4%</u>	<u>-3,5%</u>	<u>-32,4%</u>
2.1.1.	OCTG	3,0	5,1%	35,4	12,5%	-27,8%	-68,1%
2.1.2.	Linepipe	29,4	50,8%	123,9	43,7%	-0,6%	2,3%
2.1.3.	Mechanical	1,3	2,3%	6,5	2,3%	5,5%	-51,2%
2.2.	Welded	6,6	11,5%	28,5	10,0%	23,8%	-40,5%
3.	Railway products	17,6	30,3%	89,6	31,6%	1,7%	13,0%
3.1.	Wheels ¹	15,7	27,2%	80,8	28,5%	2,8%	12,8%
3.2.	Wheelsets ¹	1,3	2,2%	6,3	2,2%	-7,4%	11,0%
3.3.	Axles ¹	0,3	0,5%	1,8	0,6%	-23,3%	20,1%
3.4.	Tyres	0,2	0,4%	0,7	0,3%	37,5%	58,0%
Sales							
1.	Steel³	3,2	4,7%	15,2	5,1%	59,7%	130,3%
2.	Pipes, o/w:	46,6	68,0%	188,1	63,3%	60,3%	-27,8%
2.1.	<u>Seamless, o/w:</u>	<u>37,9</u>	<u>55,3%</u>	<u>160,2</u>	<u>53,9%</u>	<u>50,1%</u>	<u>-24,7%</u>
2.1.1.	OCTG	3,9	5,7%	40,3	13,6%	-36,2%	-50,7%
2.1.2.	Linepipe	32,8	47,9%	113,3	38,1%	83,4%	-4,5%
2.1.3.	Mechanical	1,2	1,7%	6,6	2,2%	-3,0%	-46,0%
2.2.	Welded	8,7	12,7%	27,9	9,4%	127,0%	-41,7%
3.	Railway products	18,7	27,3%	94,1	31,6%	8,1%	17,9%
3.1.	Wheels ¹	16,2	23,6%	82,9	27,9%	6,6%	15,8%
3.2.	Wheelsets ¹	1,9	2,8%	8,9	3,0%	24,9%	52,9%
3.3.	Axles ¹	0,4	0,5%	1,6	0,5%	31,2%	-17,0%
3.4.	Tyres	0,2	0,3%	0,7	0,2%	-	58,0%
TOTAL		68,6	100,0%	297,3	100,0%	41,6%	-14,3%
<p>1. Wheels and axles are inter alia utilized as components (semi-products) for wheelset production 2. Excluding steel figures for production only 3. For steel - only external sales</p>							

Regional Sales Data. Pipe products

May 2020. Pipes sales by region, th.tons

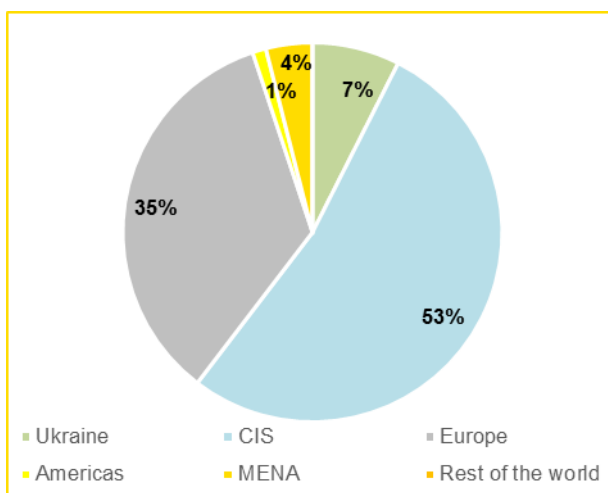


5 months 2020. Pipes sales by region, th.tons

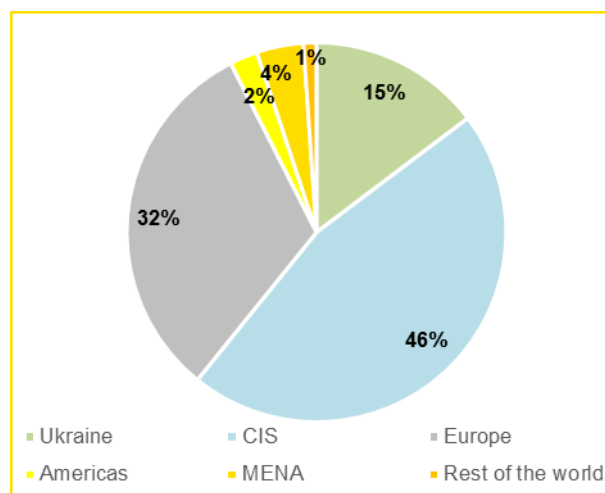


Regional Sales Data. Railway products

May 2020. Railway products sales by region, th.tons



5 months 2020. Railway products sales by region, th.tons





INTERPIPE

About the company:

Interpipe is global producer of steel pipes and railway products, based in Ukraine. The company's products are marketed in more than 80 countries all around the world via the network of sales offices located in key markets of Ukraine, Europe, North America and the Middle East.

Interpipe has 11 thousand people working at the company's facilities.