

# PRESS RELEASE

October 19, 2020



## Interpipe releases report on operations for September 2020

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

### Operational Highlights

In September 2020, the **overall pipe product sales** surged by 40.8% m-o-m, but remained still lower for the 9 months 2020 by 26.6% y-o-y undermined by yet depressed market environment and activity that have just started recovering

However, **OCTG sales** inched down by 4.5% m-o-m (and still 54.0% y-o-y lower for the 9 months 2020) due to lower deliveries of casing pipes to Ukraine, Uzbekistan and Turkmenistan in September. In general, demand in this segment remains quite soft and forecasts for Q4 2020 are clouded by rising COVID-19 cases

**Linepipe sales** exhibited a significant growth in September (+72.5% m-o-m that resulted in being flat y-o-y for the 9 months 2020) amid increased volumes sold to the UAE due to the contracts concluded in August 2020 but shipped only this month and a steadily growing demand in Europe and Ukraine

**Mechanical pipe production and sales** recovered by 25.7 and 32.3% m-o-m, respectively, after the maintenance shutdown of production facilities in the previous month. Sales growth was fostered by increased sales to the CIS and Ukraine on the back of final consumers' production recovery

**Welded pipe sales** continued declining (-12.3% m-o-m in September) due to a price appreciation and overstocking of key consumer markets

In September 2020, **sales volumes of railway products** hiked by 36.1% m-o-m (and wheel sales, particularly – by 43.1% m-o-m) across all key consumer regions amid the long-term contracts signed in prior months and risen business activity of rail car manufacturers.



**INTERPIPE**

## Report On Operations

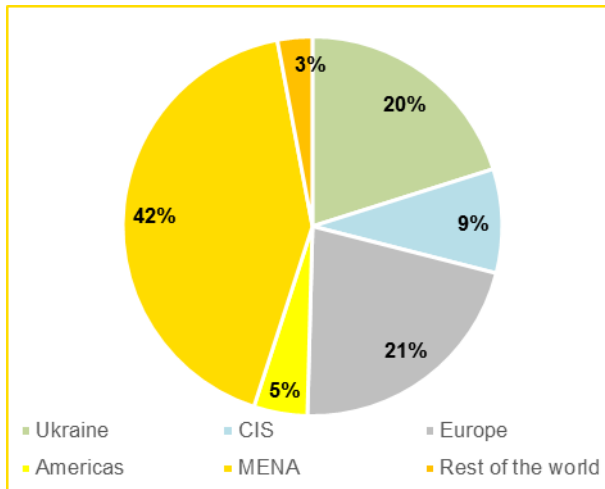
#	Product	September 2020		9 months 2020		Change	
		Thousand tons	% of total <sup>2</sup>	Thousand tons	% of total <sup>2</sup>	% m-o-m	9 months 2020, % y-o-y
<b>Production</b>							
1.	Steel	64,7	n/a	578,5	n/a	1,2%	-17,6%
2.	Pipes, o/w:	41,4	72,5%	349,7	70,6%	1,5%	-26,6%
2.1.	Seamless, o/w:	33,4	58,5%	289,2	58,4%	1,9%	-25,2%
2.1.1.	OCTG	3,9	6,8%	55,9	11,3%	-8,8%	-62,4%
2.1.2.	Linepipe	28,1	49,2%	219,7	44,4%	2,5%	3,0%
2.1.3.	Mechanical	1,4	2,5%	13,6	2,7%	25,7%	-45,0%
2.2.	Welded	8,0	14,0%	60,5	12,2%	-0,2%	-32,7%
3.	Railway products	15,7	27,5%	145,7	29,4%	10,9%	-4,5%
3.1.	Wheels <sup>1</sup>	13,3	23,3%	127,7	25,8%	14,3%	-6,9%
3.2.	Wheelsets <sup>1</sup>	1,9	3,3%	13,2	2,7%	2,7%	13,6%
3.3.	Axles <sup>1</sup>	0,3	0,5%	3,1	0,6%	-26,8%	13,1%
3.4.	Tyres	0,2	0,4%	1,8	0,4%	-19,5%	65,9%
<b>Sales</b>							
1.	Steel <sup>3</sup>	1,9	2,8%	26,2	4,9%	13,4%	47,5%
2.	Pipes, o/w:	49,1	73,3%	359,1	67,4%	40,8%	-24,1%
2.1.	Seamless, o/w:	42,5	63,4%	298,1	56,0%	55,5%	-22,1%
2.1.1.	OCTG	5,2	7,8%	64,0	12,0%	-4,5%	-54,0%
2.1.2.	Linepipe	35,8	53,4%	220,9	41,5%	72,5%	-0,2%
2.1.3.	Mechanical	1,4	2,2%	13,2	2,5%	32,3%	-40,7%
2.2.	Welded	6,6	9,9%	61,0	11,5%	-12,3%	-32,7%
3.	Railway products	16,0	23,8%	147,2	27,6%	36,1%	-3,0%
3.1.	Wheels <sup>1</sup>	14,1	21,0%	128,1	24,1%	43,1%	-6,0%
3.2.	Wheelsets <sup>1</sup>	1,2	1,7%	14,4	2,7%	-16,1%	29,7%
3.3.	Axles <sup>1</sup>	0,4	0,6%	2,9	0,5%	49,5%	-11,4%
3.4.	Tyres	0,3	0,4%	1,8	0,3%	31,8%	62,8%
<b>TOTAL</b>		<b>66,9</b>	<b>100,0%</b>	<b>532,5</b>	<b>100,0%</b>	<b>38,7%</b>	<b>-17,2%</b>
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							



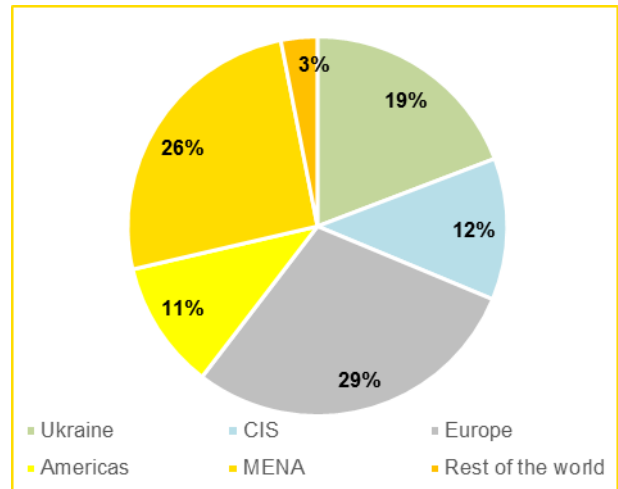
**INTERPIPE**

## Regional Sales Data. Pipe products

September 2020. Pipes sales by region, th.tons

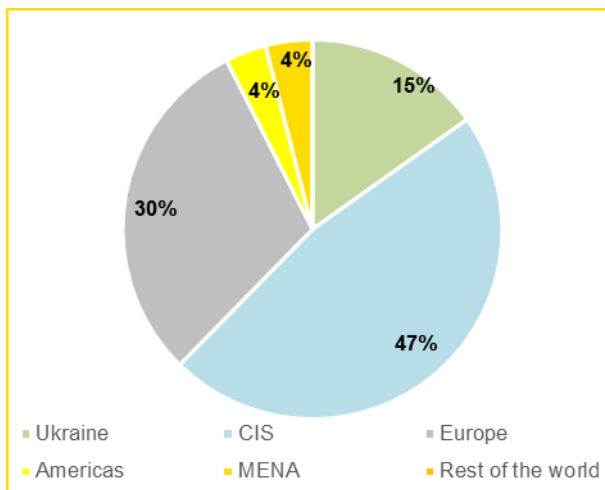


9 months 2020. Pipes sales by region, th.tons

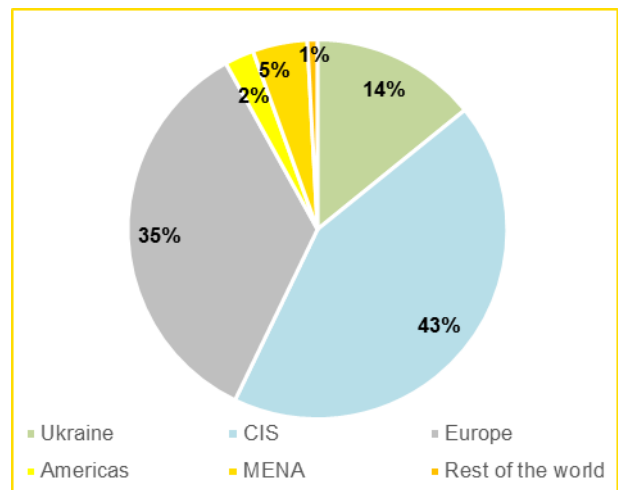


## Regional Sales Data. Railway products

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



9 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.