



# **The full year 2024 Operational and Financial Overview**

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# Key highlights of the full year 2024 and business outlook



- In 2024, Interpipe continued operating on the back of uncertain and challenging operational and market environment
- At the beginning of 2024, we normalized logistics and restored shipping by sea from Odesa port, but massive air attacks on the Ukraine energy infrastructure and permanent shelling of Nikopol materially hindered operations and caused a pressure on production costs
- Market prices for seamless pipes continued declining through the year and adversely impacted on the Company's profitability that was decently off-set by growth in sales volumes both in the pipe and railway product segments
- European region became the key off-taking market for the Company constituting 2/3 of sales of railway products segment and over 40% of sales of pipes
- The ongoing declining oil market prices, softening of demand and warning macro indicators worldwide will challenge Interpipe in short term to repeat the sound performance exhibited in 2024
- In December 2024, the seamless pipe heat treatment facility at Nikotube was put into operation that's to expand capacity and bolster premium pipes sales worldwide
- The new US administration has restored the 25% safeguard duty (Section 232) that affected our steel seamless pipes and additionally introduced a 10% duty that affected our railway products. The repercussions of these actions for Interpipe are now difficult to assess and quantify as they have been imposed for all import in the US and it will fully depend on exemptions or reduction of duties rates that might be obtained by each specific country
- We also expect the EU will extend the duty and quota free regime for Ukraine's steel products and pipes once again in June 2025 that along with the appreciation of EUR is expected to bring a positive impact of the business performance of the Company this year
- However, starting from the beginning of 2025 Interpipe has undertaken proactive steps in debt management to derisk our noteholders and repurchased ca. USD 57M of Notes 2026 by means the public tender offer and series of repurchases from the market as a market as an exercise of goodwill and evidence of our resiliency and strong performance of our business model

# Pipe market



## USA:

- In 2024, OCTG consumption in USA declined by 11% y-o-y, on the back of the sharp contraction in drilling activity, with rig count falling by 88 rigs y-o-y
- Seamless pipe import saw a substantial drop at 37% y-o-y
- OCTG prices faced significant downward pressure throughout the year, falling by 31% compared to 2023

## MENA:

- Rig count in the region decreased by 6 units y-o-y in 2024, while the value of awarded projects rose by 82,5 bln USD or 29% y-o-y
- Average seamless pipe prices fell by 10% y-o-y
- Chinese suppliers retained a dominant share in imports of 78%

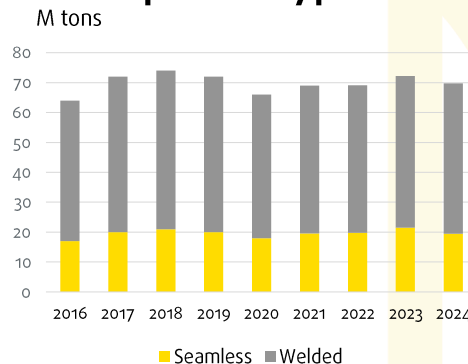
## Europe:

- In 2024, seamless pipe imports to Europe increased by 12% y-o-y
- Average seamless pipe prices in Europe decreased by 5% y-o-y, pressured by softer demand, high inventory levels, and competition from lower-cost extra-EU imports

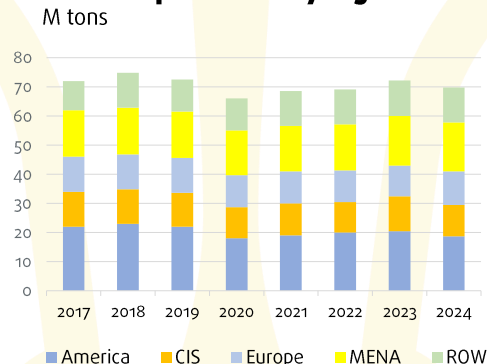
## Ukraine:

- Seamless pipe demand in Ukraine declined by 25% y-o-y, despite growth in construction sector growth of 16% y-o-y, on the back of decline in infrastructure segment, after a strong rebound in 2023
- At the same time, the state-owned oil& gas producers ramped up drilling activity, with UGV increasing drilling footage by 11% y-o-y and Ukrnafta by 280% y-o-y

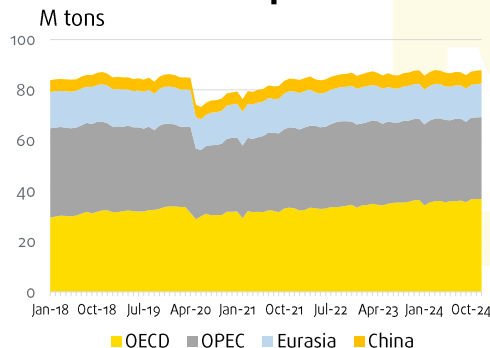
Pipe market by products<sup>1</sup>



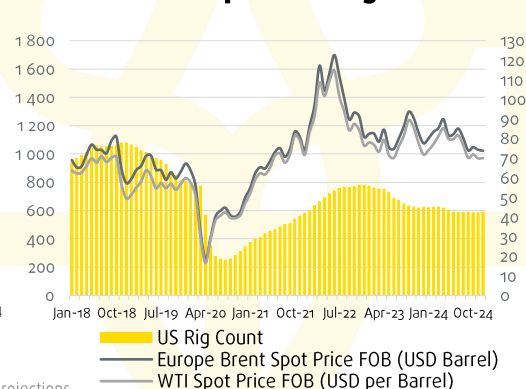
Pipe market by regions<sup>1</sup>



Crude oil production



Crude oil price and rig count



1. Excluding China. 2024 forecasts are as per the management's projections

# Railway product market

## Europe:

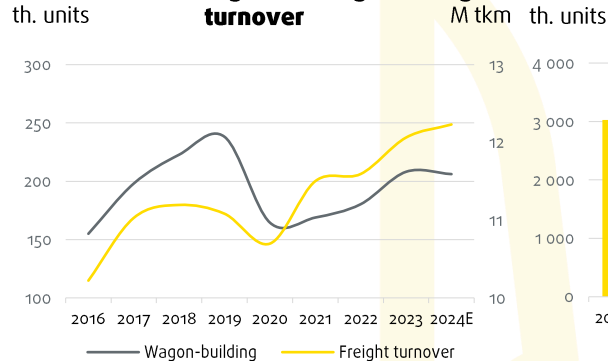
- In 2024, supply of railway products to Europe went down by 5% y-o-y amid considerable reduction in Chinese shipments
- For the entire 2024 Chinese import to Europe shrank by 61% y-o-y with a significant drop of its share from 29% in 2023 to 12% in 2024

## Ukraine:

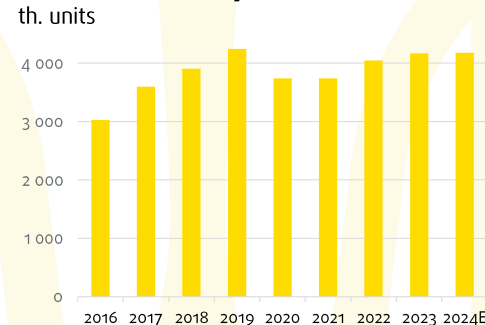
- In 2024, wagon building industry showed a significant growth 41% y-o-y
- The number of total depot and overhaul wagon repairs in 2024 grew by 15% y-o-y. Almost 69% of all wagons were repaired by Ukrainian Railways (UZ) facilities
- In 2024 the share of after-market segment declined from 56% to 45% driven by significant recovery in OEM market



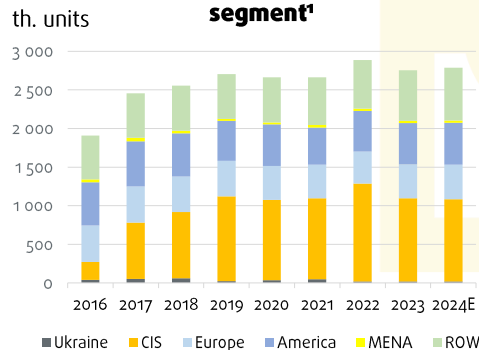
**Global markets' wagon building and freight turnover**



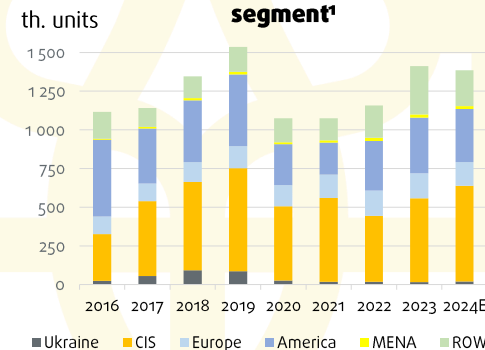
**Railway wheel market<sup>1</sup>**



**Railway wheels for after-market segment<sup>1</sup>**



**Railway wheels for wagon-building segment<sup>1</sup>**



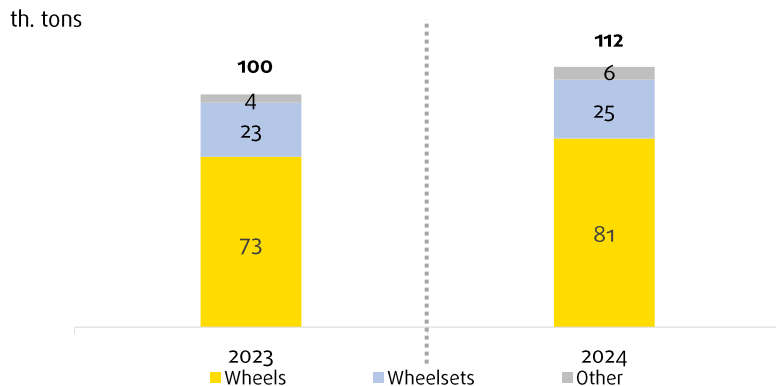
1. Excluding China.

# Operational results

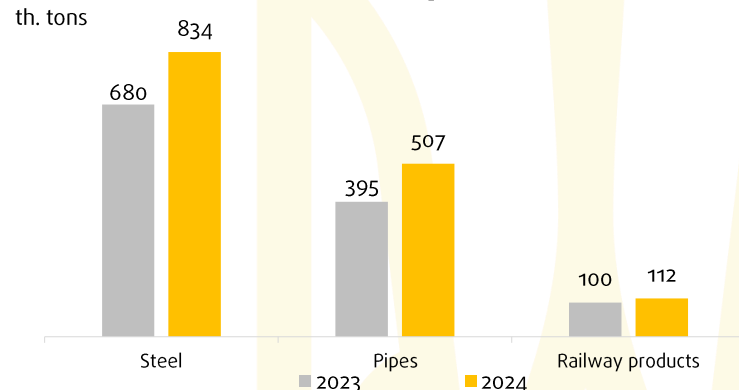
On the back of the unfavorable environment for operations our key products exhibited a noticeable growth in 2024:

- Steel billets production went up by 23% y-o-y
- Linepipe hiked by 31% y-o-y
- OCTG surged by 33% y-o-y
- Railway products production grew by 12% y-o-y

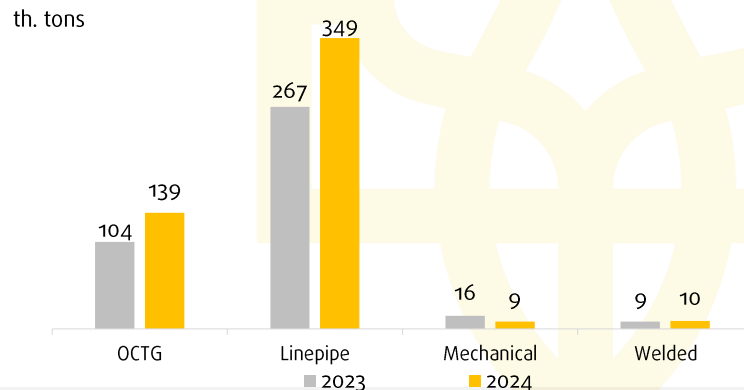
## Railway products by type production dynamics



## Production dynamics



## Pipes by type production dynamics

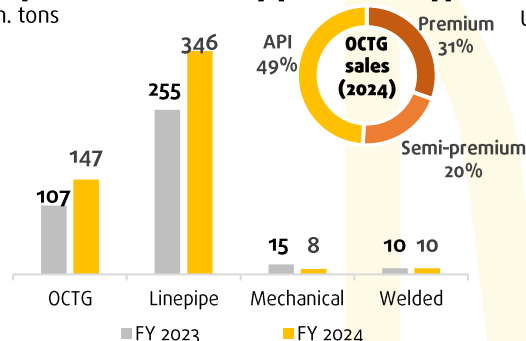


# Pipe segment: Sales portfolio

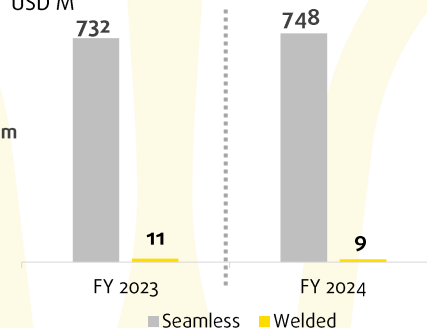


- In 2024, total sales surged by 32% y-o-y on the back of ramped up shipments to European and American customers
- OCTG sales volumes surged by 38% y-o-y, while linepipe volumes expanded by 36% over the same period
- American** sales rose by 41% compared to 2023, fueled mainly by a sharp growth in OCTG sales volumes on the back of robust demand from oil and gas sector
- European** sales exhibited even stronger growth of 64% y-o-y largely attributable to significantly higher linepipe sales
- Sales to the **MENA** hiked by 45% y-o-y amid y-o-y tripled OCTG sales volumes
- In contrast, **domestic** sales in 2024 dropped by 19% y-o-y amid weaker demand from UGV and contracted orders for linepipe

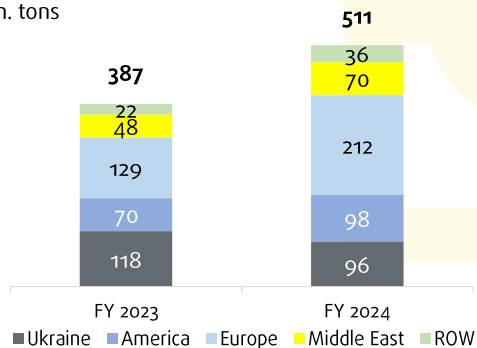
**Pipe sales volumes by production type**  
th. tons



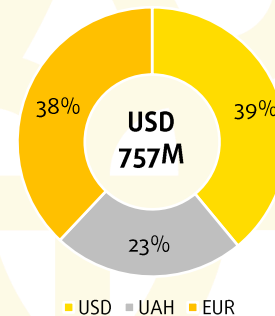
**Pipe revenue by product type**  
USD M



**Pipe sales volumes split by region**  
th. tons



**Currency breakdown for the full year 2024**

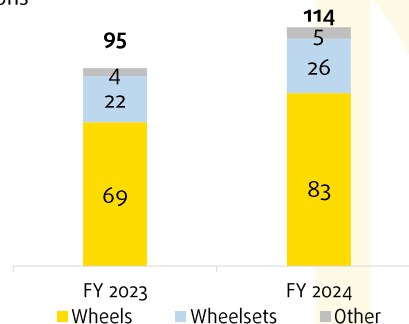


# Railway product segment: Sales portfolio

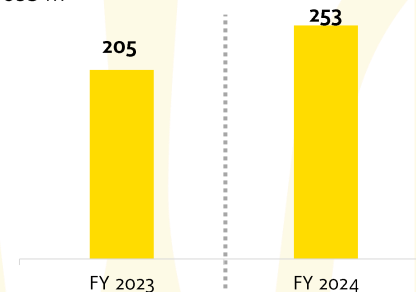


- Total railway products sales for 2024 grew by 21% y-o-y amid growth in sales to European and US markets
- **Ukraine.** Domestic sales rose by 13% y-o-y in 2024 supported by stronger consumption of wagonbuilding facilities and growth of repairs volumes
- **Europe** had strengthened its position as the key direction for Interpipe's railway product sales constituting 66% of total sales. Even despite certain decline in Q4, sales to Europe showed considerable growth for the full year 2024 – by 26% y-o-y
- **ROW** (including America and MENA) sales increased by 17% y-o-y in 2024. The aggregate share of ROW in the total sales portfolio remained stable in 2024 – at the level of 19%

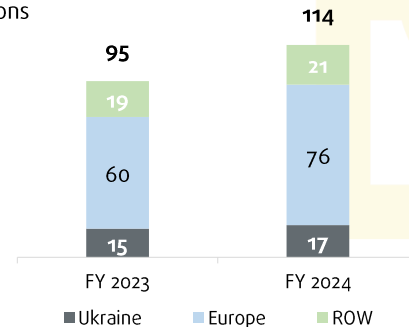
**Railway product sales volumes**  
th. tons



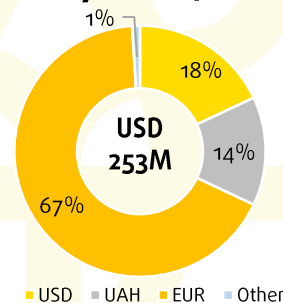
**Railway product revenue**  
USD M



**Railway product sales split by region**  
th. tons

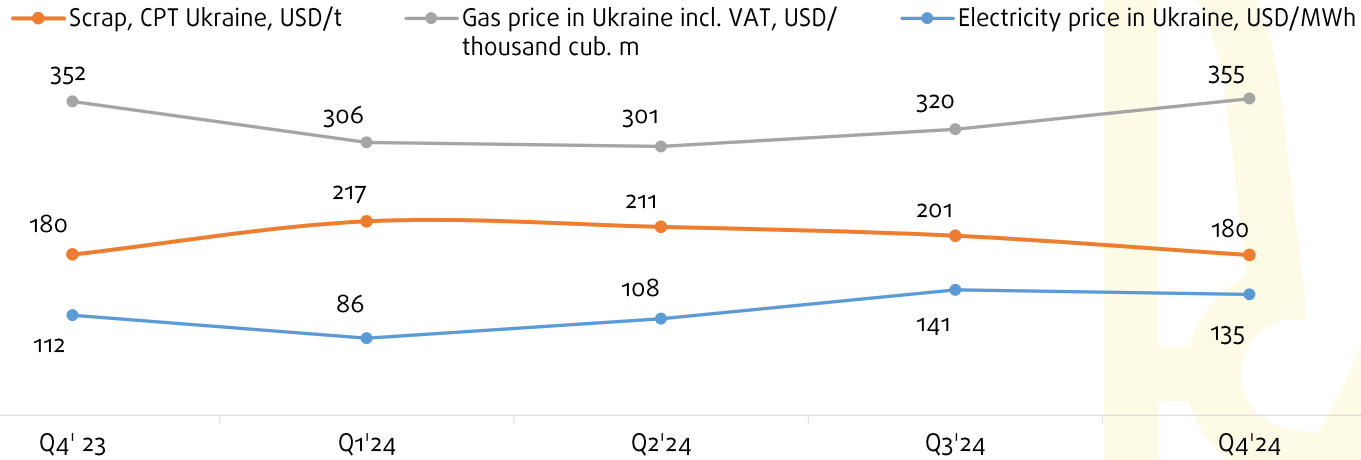


**Currency breakdown for the full year 2024**





# Evolution of market prices for key production inputs

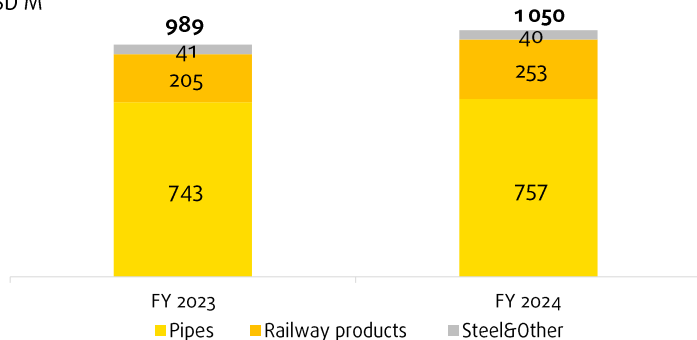


# Financial Highlights<sup>1</sup> for the full year 2024



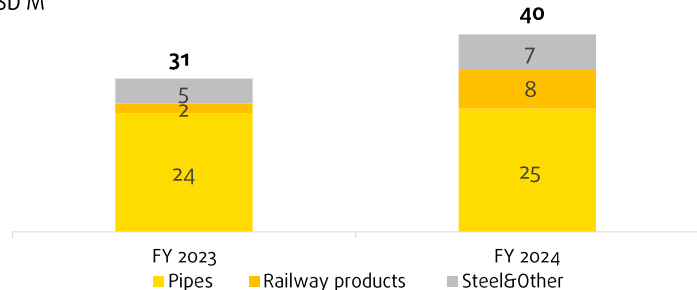
## Revenue

USD M



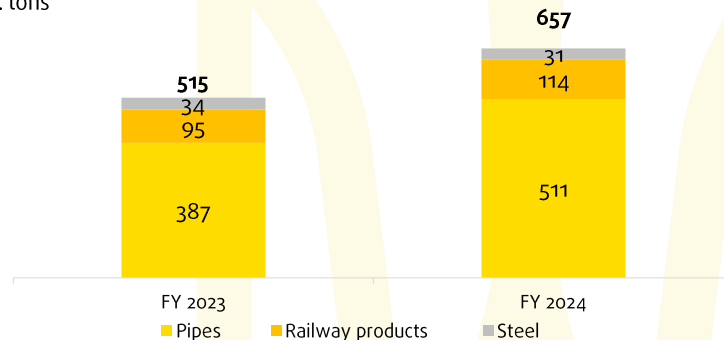
## Capex<sup>2</sup>

USD M



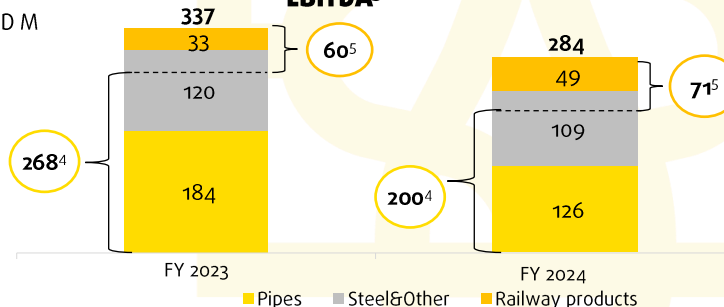
## Sales volumes

th. tons



## EBITDA<sup>3</sup>

USD M



1. Financial figures are presented based on the audited consolidated financial statements prepared according to the IFRS

2. Capex figure represents the line Purchases of property, plant and equipment and intangible assets as part of the net cash flow from investing activities

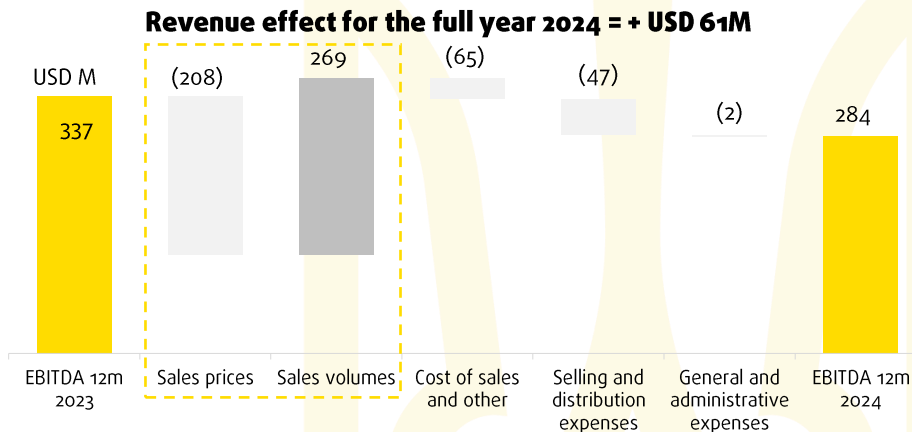
3. EBITDA is calculated as an operating profit (or loss) plus depreciation and amortization charges, plus impairment of property, plant, and equipment and intangible assets, plus loss / (gain) on disposal of property, plant, and equipment, plus extraordinary losses / (gains)

4. EBITDA of the pipe segment on a pass-through basis reallocating the relevant portion of EBITDA from the steel segment to the pipe segment

5. EBITDA of the railway product segment on a pass-through basis reallocating the relevant portion of EBITDA from the steel segment to the railway product segment

# EBITDA

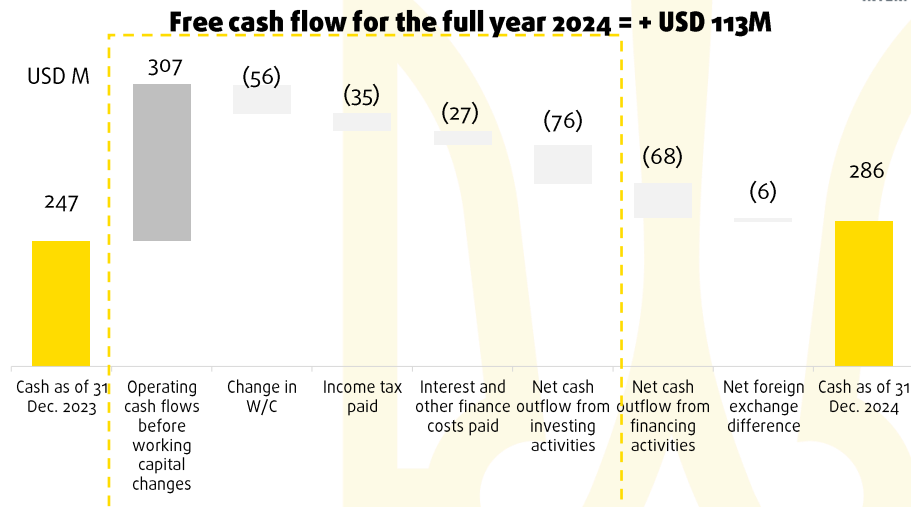
- Total EBITDA for the full 2024 amounted to USD 284M that was 16% lower than a year before,
- This amount also contained a one-off effect of return of the duty deposits in amount USD 50M which were released by the US DOC following the completion of the annual review for past years
- Nevertheless, such continuously strong performance was also inter alia driven by the following:
  - Depreciation of sales prices for seamless pipes after their record highs (end of 2022 - beginning of 2023): for OCTG - by 28% y-o-y and for linepipe - by 22% y-o-y
  - Sales prices for railway products remained fairly stable through the year
  - Growth in total sales volumes across all business segments by 22% y-o-y on average
  - Mixed dynamics of market prices for key raw materials: both electricity and scrap appreciated by 22% and 14% y-o-y, respectively, while price for natural gas continued going down - by 22% y-o-y
  - Increase in total sales volumes resulted in growth of Selling and distribution expenses in 2024



1. EBITDA is calculated as an operating profit (or loss) plus depreciation and amortization charges, plus impairment of property, plant, and equipment and intangible assets, plus loss / (gain) on disposal of property, plant, and equipment, plus extraordinary losses / (gains)

# Cash flow

- The Company has been continuously delivering robust cash generation - Free cash flow<sup>1</sup> for the full year 2024 reached USD 113M
- The key factors were:
  - a robust conversion of EBITDA into cash (over 100%)
  - Increase in Working Capital mainly driven by the one-off effect of return of the duty deposits in amount USD 50M (accrued as of YE 2024 but cash yet to come in Q1 2025) and increase in receivables following growth in sales volumes
  - income tax payments (USD 35M) on the back of the strong financial performance
  - capex (USD 40M) buffered with USD 13M interest received on cash balances
- In Q3 2024, Interpipe repaid ca. equivalent of USD 21M under the Bank facilities



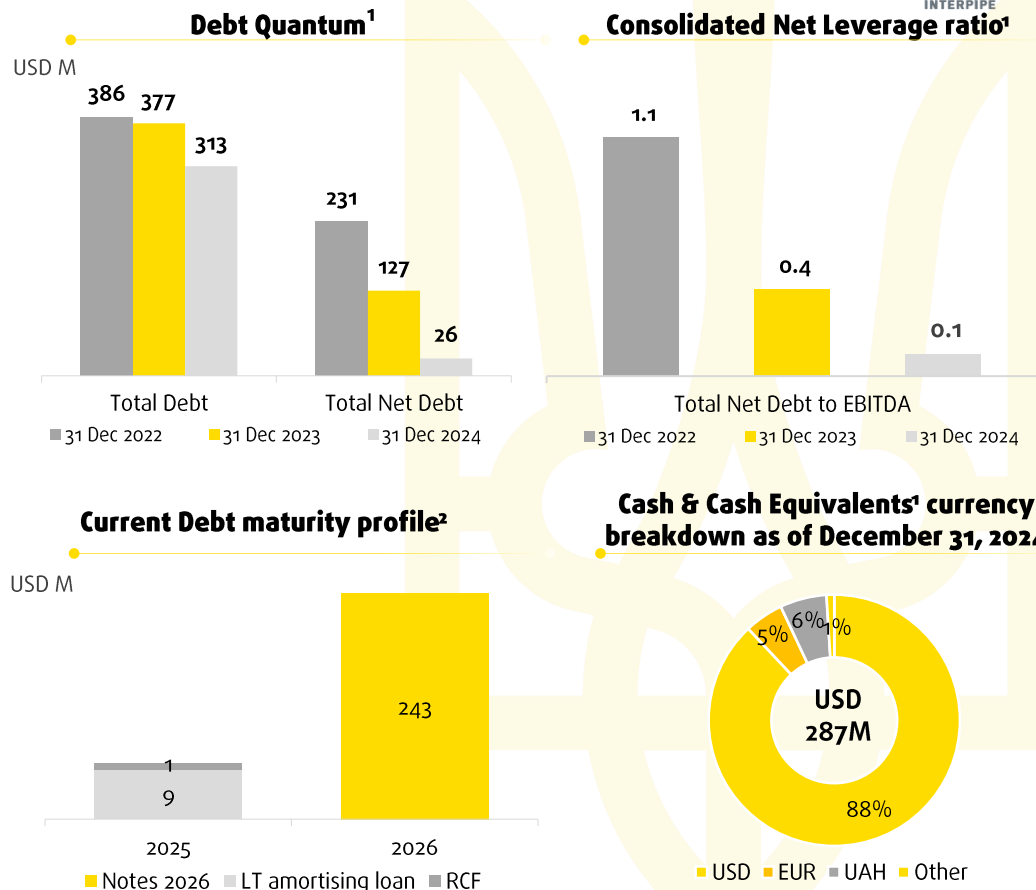
1. Free cash flow is calculated as the net cash flow from operating activities less the net cash flow from investing activities

# Debt profile

- As of December 31, 2024, **Consolidated Total Debt<sup>1</sup>** amounted to **USD 313M** and comprised of:
  - Notes 2026** recognized at amortized cost according to the IFRS in amount of **USD 299M**
  - 2 Bank Facilities** (EUR-denominated) in amount of **USD 14M**
- Cash & Cash Equivalents<sup>1</sup>** amounted to **USD 297 M** on the back of the sound financial performance that resulted in **Consolidated Total Net Debt<sup>1</sup>** to amount to **USD 26M**
- Consolidated Net Leverage Ratio<sup>1</sup>** (Total Net Debt to EBITDA) as of December 31, 2024, just exceeded 'zero' - **0.09x**
- In October 2024, Interpipe repaid **the final annual installment** under the **Performance Sharing Fees and Securities** for the testing period (July 1, 2023 – June 30, 2024) in amount of ca. **USD 47M**, thus having **discharged this instrument in full**
- Starting from the beginning of 2025 the Company reduced **the outstanding under Notes 2026 to ca. USD 243M** by means the public tender offer and series of repurchases from the market
- The scheduled semiannual **coupon payment** under Notes 2026 was **duly executed** on May 13, 2025 (amounted to **USD 12.5M**)


1. Total Debt, Cash & Cash Equivalents, Total Net Debt, Consolidated Net Leverage Ratio are calculated subject to the Terms and Conditions of the Notes 2026 set out in Schedule 1 to the Trust Deed


2. Debt maturity profile is presented (as of the date of this Presentation) at nominal value of the debt instruments and net of carrying value of the Performance Sharing Fees and Securities. Current US\$EUR rate=1.12



# Interpipe appoints new CEO



 In May 2025, Luca Zanotti (ex-Tenaris top executive) has been appointed as a Chief Executive Officer with an aim to further strengthen Interpipe's position in the industry and accelerate its trajectory of profitable growth

 Luca Zanotti has extensive experience in the pipe industry and deep knowledge of key international markets will be a significant asset

## Work experience:

Prior to joining Interpipe Mr. Zanotti was the President of Tenaris United States, a position he assumed in 2018 after previously serving as Vice President since 2015. He originally joined Tenaris in 2011 as President of Europe. Previously, Mr. Zanotti experience encompassed procurement, management consulting and business development across Europe, South America and Southeast Asia. He began his professional journey as an officer in the Italian Army

## Education:

Mr. Zanotti holds a Master of Science degree in Electronic Engineering from the Politecnico di Milano and an MBA from SDA Bocconi



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