FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms Interpipe at 'CCC-'

Fri 27 Feb, 2026 - 1:15 PM ET

Fitch Ratings - London - 27 Feb 2026: Fitch Ratings has affirmed Interpipe Holdings Plc's Long-Term Issuer Default Rating (IDR) and senior unsecured rating at 'CCC-'. The Recovery Rating on the senior unsecured debt is 'RR4'.

Interpipe's rating reflects a high risk of damage or disruption at its five facilities in central Ukraine, which generate substantially all its earnings and cash flow, due to their proximity to the conflict zone.

The company has made progress in addressing its May 2026 bond maturity and holds sufficient cash to fully repay the bond, but we would expect it to raise some funding for day-to-day operations for the rest of 2026. We will re-assess the liquidity position at the end of March and the company's ability to repay the 2026 bond.

KEY RATING DRIVERS

Resilient Financial Performance: We expect lower EBITDA at or above USD150 million in 2026 due to the impact of missile and drone attacks on the energy infrastructure over the winter months, leading to neutral to limited negative free cash flow (FCF). Interpipe has achieved robust EBITDA margins of USD300-500 per tonne (based on steel volumes produced; not finished products) over the past four years. It generated positive FCF in those years, even after paying out performance-sharing fees linked to the debt restructuring concluded in 2019 and some shareholder distributions in the form of upstreamed loans.

The business has successfully managed logistics constraints, working capital, capex and other constraints imposed by the war. Its assets in central Ukraine remain by and large operational.

Bond Maturity in Focus: The company has USD119.1 million of bonds outstanding (13 May 2026 maturity) of the USD300 million original issuance, following a tender offer and repurchases of bonds throughout 2025 and 2026. These measures, alongside progress in raising local funding over the past year, underline Interpipe's capacity to repay the bond. However, we would expect the company to arrange for some additional working capital facilities to fund day-to-day operations for the rest of 2026.

At the same time, operating risks in Ukraine remain very high and events between now and the bond maturity in May could affect Interpipe's strategic priorities. This makes the timely repayment of the outstanding bonds at maturity uncertain.

Operating Environment Continues to Deteriorate: Interpipe faced significant operational disruption in 2025. It had to rely on third-party supply of steel billets in 3Q25, following the breakdown of a transformer at its electric arc furnace facility in May 2025, which has been repaired. This had a major impact on sales volumes and profitability, with EBITDA dropping to USD18 million in 3Q25 from USD100 million in 2Q25. The reduced reliability of power infrastructure has led us to assume EBITDA at or above USD200 million for 2025 and at or above USD150 million for 2026. This reflects our expectation that domestic power generation is unlikely to recover over the short term.

PEER ANALYSIS

Metinvest B.V. is rated 'CCC-' on Rating Watch Negative, which reflects increasing refinancing risk linked to its USD428 million bonds falling due on 23 April 2026. Ferrexpo plc is also rated 'CCC-', given a significant worsening of its operational liquidity, while the company does not have any bank or capital markets debt.

FITCH'S KEY RATING-CASE ASSUMPTIONS

- Operating EBITDA at or above USD200 million in 2025, reducing towards USD150 million in 2026 due to increased intensity of missile and drone attacks on the Ukrainian energy infrastructure and their impact on reliability of power supply

- Capex of USD60 million-70 million in 2026, with potential deferral to support adequate liquidity

- Positive FCF at or above USD50 million in 2025 and neutral to negative in the low double-digit millions in 2026 due to lower assumed EBITDA generation

CORPORATE RATING TOOL INPUTS AND SCORES

Fitch scored the issuer as follows, using our Corporate Rating Tool (CRT) to produce the Standalone Credit Profile (SCP):

- Business and financial profile factors (assessment, relative importance): Management (bb, Lower), Sector Characteristics (bb+, Lower), Market and Competitive Positioning (bb-, Moderate), Diversification and Asset Quality (ccc-, Higher), Company Operational Characteristics (bb+, Moderate), Profitability (bbb+, Lower), Financial Structure (a+, Lower), and Financial Flexibility (ccc, Higher).

- The quantitative financial subfactors are based on custom CRT financial period parameters: 10% weight for the forecast year 2025, 70% for the forecast year 2026 and 20% for the forecast year 2027.

- B+ to CC considerations apply in our analysis and result in an adjustment of -1 notch.

- The Governance assessment of 'Good' results in no adjustment.

- The Operating Environment assessment of 'ccc' results in no adjustment.

- The SCP is 'ccc-'.

RECOVERY ANALYSIS

Our recovery analysis assumes that Interpipe would be reorganised as a going concern (GC) in bankruptcy rather than liquidated.

Interpipe's GC EBITDA of USD120 million is well below our mid-cycle estimate. It captures the possibility that, in a financial restructuring, not all its assets may remain operational or that logistics constraints could limit exports due to the ongoing military conflict.

We use an enterprise value/EBITDA multiple of 3.0x to calculate a post-reorganisation valuation, reflecting the concentrated nature of key manufacturing assets in a territory with military conflict.

After deducting 10% for administrative claims and taking into account Fitch's Country-Specific Treatment of Recovery Ratings Criteria, our analysis resulted in a waterfall-generated recovery computation in the 'RR4' band, indicating a 'CCC-' rating for the company's senior unsecured notes. The Recovery Rating for corporate issuers in Ukraine is capped at 'RR4'.

RATING SENSITIVITIES

Factors That Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Deteriorating liquidity profile

- Default of some kind appears probable or a default or default-like process has begun following decision not to pay coupon or inability to service debt or a formal announcement of a distressed debt exchange

- An intensification of the conflict with Russia leading to damage to key production assets

Factors That Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- De-escalation of Russia's war in Ukraine, reducing operating risks

- Repayment of all outstanding gross debt

LIQUIDITY AND DEBT STRUCTURE

Interpipe held USD229 million of cash at end-September 2025, a large proportion of which was held offshore. The company should have sufficient funds to repay the outstanding USD119.1 million of bonds in May 2026 plus accrued interest but we would expect it to arrange for some additional working capital facilities to fund day-to-day operations for the rest of 2026.

ISSUER PROFILE

Interpipe is a Ukrainian producer of high value-added steel products, mostly pipes and railway wheels.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS

Click here to access Fitch's latest quarterly Global Corporates Sector Forecasts Monitor data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector key performance indicators and sector-level forecasts are among the data items included.

CLIMATE VULNERABILITY SIGNALS

The results of our Climate.VS screener did not indicate an elevated risk for Interpipe.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

RATING ACTIONS

ENTITY / DEBT	RATING			RECOVERY	PRIOR
Interpipe Holdings Plc	LT IDR	CCC-	Affirmed		CCC-
senior unsecured	LT	CCC-	Affirmed	RR4	CCC-

VIEW ADDITIONAL RATING DETAILS

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APPLICABLE CRITERIA

Corporates Recovery Ratings and Instrument Ratings Criteria (pub. 02 Aug 2024) (including rating assumption sensitivity)

Corporate Rating Criteria (pub. 09 Jan 2026) (including rating assumption sensitivity)

Sector Navigators – Addendum to the Corporate Rating Criteria (pub. 09 Jan 2026)

Country-Specific Treatment of Recovery Ratings Criteria (pub. 20 Feb 2026)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v8.2.0 (09 Jan 2026, 09 Jan 2026)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Interpipe Holdings Plc	UK Issued, EU Endorsed

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