



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

Nine Months Ended 30 September 2021

INTERPIPE HOLDINGS PLC

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INTERPIPE HOLDINGS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021 (in US dollar and in thousands)



INTERPIPE

	30 September 2021	31 December 2020
ASSETS		
Non-current assets		
Property, plant and equipment	517,710	487,756
Intangible assets and goodwill	4,839	3,702
Investments in associates	1,029	723
Investment in joint venture	2,495	2,614
Deferred tax assets	6,404	24,219
Prepaid income tax	166	168
Other non-current assets	14,240	168
	546,883	519,350
Current assets		
Inventories	189,746	153,861
Trade and other accounts receivable	160,388	105,230
Prepayments and other current assets	73,964	31,306
Prepaid current income tax	1,974	2,868
Taxes recoverable, other than income tax	25,554	18,684
Cash and cash equivalents	103,007	96,631
	554,633	408,580
TOTAL ASSETS	1,101,516	927,930
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Issued capital, net of unpaid	5	5
Share premium	94,277	94,277
Revaluation reserve	375,429	389,390
Retained earnings	1,058,551	1,242,919
Foreign currency translation reserve	(1,151,083)	(1,216,299)
	377,179	510,292
Non-controlling interests	11,792	10,194
Total equity	388,971	520,486
Non-current liabilities		
Shareholder's loan	50,373	46,827
Long-term borrowings	410,922	117,914
Deferred tax liabilities	32,287	29,835
Provisions	43,879	40,212
	537,461	234,788
Current liabilities		
Current portion of the long-term borrowings and interest accrued and payable	10,916	836
Trade and other accounts payable	99,334	57,104
Advances and other current liabilities	45,957	62,124
Current income tax payable	10,695	13,051
Taxes payable, other than income tax	4,197	4,223
Provisions	3,985	35,318
	175,084	172,656
Total liabilities	712,545	407,444
TOTAL EQUITY AND LIABILITIES	1,101,516	927,930

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

Chairman of the Board of Directors, CEO

Fadi Khraybe

Sergiy Kuz'menko

16 December 2021

INTERPIPE HOLDINGS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 (in US dollar and in thousands)



	For the nine month ended 30 September	
	2021	2020
Revenue	756,725	660,404
Cost of sales	(529,185)	(450,885)
Gross profit	227,540	209,519
Selling and distribution expenses	(89,307)	(69,786)
General and administrative expenses	(34,777)	(26,361)
Other operating income and expenses, net	5,540	(3,811)
Operating foreign exchange difference	(33,318)	75,651
Operating profit	75,678	185,212
Finance income	909	7,006
Finance costs	(25,915)	(36,944)
Non-operating foreign exchange difference	5,696	23,213
Share of loss of joint venture	(118)	(221)
Share of profit / (loss) of associates	255	(133)
Profit before tax	56,505	178,133
Income tax expense	(24,167)	(15,675)
Profit for the period	32,338	162,458
Profit attributable to:		
Equity holders of the parent	31,168	161,991
Non-controlling interests	1,170	467
	32,338	162,458
Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:		
Net income on cash flow hedges	-	62,767
Exchange differences on translation of foreign operations	65,644	(204,311)
Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:	65,644	(141,544)
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods:		
Re-measurement loss on defined benefit plans	613	-
Income tax effect	(110)	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:	503	-
Other comprehensive income / (loss) for the period, net of tax:	66,147	(141,544)
Total comprehensive income / (loss) attributable to:		
Equity holders of the parent	96,887	21,884
Non-controlling interests	1,598	(970)
	98,485	20,914

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CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

(in US dollar and in thousands)



INTERPIPE

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
At 1 January 2020	5	94,277	411,166	1,032,515	(83,689)	(1,018,198)	436,076	13,132	449,208
Profit for the period	-	-	-	161,991	-	-	161,991	467	162,458
Other comprehensive income / (loss)	-	-	-	-	62,767	(202,874)	(140,107)	(1,437)	(141,544)
Total comprehensive income / (loss)	-	-	-	161,991	62,767	(202,874)	21,884	(970)	20,914
Depreciation transfer	-	-	(16,358)	16,358	-	-	-	-	-
At 30 September 2020	5	94,277	394,808	1,210,864	(20,922)	(1,221,072)	457,960	12,162	470,122

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
At 1 January 2021	5	94,277	389,390	1,242,919	-	(1,216,299)	510,292	10,194	520,486
Profit for the period	-	-	-	31,168	-	-	31,168	1,170	32,338
Other comprehensive income	-	-	-	503	-	65,216	65,719	428	66,147
Total comprehensive income	-	-	-	31,671	-	65,216	96,887	1,598	98,485
Depreciation transfer	-	-	(13,961)	13,961	-	-	-	-	-
Dividends declared	-	-	-	(230,000)	-	-	(230,000)	-	(230,000)
At 30 September 2021	5	94,277	375,429	1,058,551	-	(1,151,083)	377,179	11,792	388,971

INTERPIPE HOLDINGS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 (in US dollar and in thousands)



	For the nine month ended 30 September	
	2021	2020
Profit before tax	56,505	178,133
Adjustments for:		
Depreciation and amortisation	42,566	42,482
Movement in provisions less interest cost	(38,648)	(21,803)
(Gain) / Loss on disposal of property, plant and equipment	(686)	1,584
Reclassification of the foreign exchange loss to cost of sales	-	62,767
Finance costs	25,915	36,944
Finance income	(909)	(7,006)
Share of loss of joint venture	118	221
Share of (profit) / loss of associates	(255)	133
Translation difference and foreign exchange difference	26,964	(98,632)
Operating cash flows before working capital changes	111,570	194,823
(Increase) / decrease in inventories	(23,464)	26,505
(Increase) / decrease in trade and other accounts receivable	(52,445)	14,636
Increase in prepayments and other assets	(22,945)	(7,842)
Increase in taxes recoverable, other than income tax	(5,795)	(5,645)
Increase / (decrease) in trade and other accounts payable	34,510	(1,688)
(Decrease) / increase in taxes payable, other than income tax	(244)	1,148
Decrease in advances and other current liabilities	(9,844)	(74,358)
Cash generated from operations	31,343	147,579
Income tax paid	(9,245)	(12,534)
Interest and other finance costs paid	(4,288)	(15,414)
Net cash inflow from operating activities	17,810	119,631
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets	(45,352)	(27,491)
Proceeds from sale of property, plant and equipment	2,741	522
Interest received	909	1,498
Net cash outflow from investing activities	(41,702)	(25,471)
Cash flows from financing activities		
Proceeds from borrowings	300,000	-
Repayments of borrowings	(6,472)	(218,000)
Purchase of other financial assets	(34,000)	(23,342)
Dividends paid	(230,000)	-
Net cash inflow / (outflow) from financing activities	29,528	(241,342)
Net increase / (decrease) in cash and cash equivalents	5,636	(147,182)
Net foreign exchange difference	740	677
Cash and cash equivalents at period beginning	96,631	256,148
Cash and cash equivalents at period end	103,007	109,643

SEGMENT INFORMATION
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021
(in US dollar and in thousands)

Segment information

Segment revenues and results

<i>Nine months ended 30 September 2021</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Revenue	507,106	200,819	366,792	11,747	1,086,464
Elimination of sales to other segments	-	-	(329,739)	-	(329,739)
Revenue – external	507,106	200,819	37,053	11,747	756,725
Operating profit / (loss)	(77,495)	4,346	146,925	1,902	75,678
Finance income					909
Finance costs					(25,915)
Non-operating foreign exchange difference					5,696
Share of loss of joint venture					(118)
Share of profit of associates					255
Income tax expense					(24,167)
Profit for the period					32,338

For the nine months ended 30 September 2021 share of profit of associates was attributable to the seamless pipes segment.

EBITDA by segments

<i>Nine month ended 30 September 2021</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Operating profit / (loss)	(77,495)	4,346	146,925	1,902	75,678
Depreciation and amortisation	15,588	8,808	17,990	180	42,566
Loss / (gain) on disposal of property, plant and equipment	(984)	245	53	-	(686)
Operating foreign exchange difference	26,851	1,952	4,515	-	33,318
EBITDA	(36,040)	15,351	169,483	2,082	150,876
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	111,431	49,372	(160,803)	-	-
EBITDA (on a pass-through basis)	75,391	64,723	8,680	2,082	150,876

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SEGMENT INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 (in US dollar and in thousands)

Segment revenues and results

<i>Nine months ended 30 September 2020</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Revenue	348,544	280,411	217,728	9,110	855,793
Elimination of sales to other segments	-	-	(195,389)	-	(195,389)
Revenue – external	348,544	280,411	22,339	9,110	660,404
Operating profit / (loss)	(11,073)	143,102	51,868	1,315	185,212
Finance income					7,006
Finance costs					(36,944)
Non-operating foreign exchange difference					23,213
Share of loss of joint venture					(221)
Share of loss of associates					(133)
Income tax expense					(15,675)
Profit for the period					162,458

For the nine months ended 30 September 2020 share of loss of associates was attributable to the seamless pipes segment.

EBITDA by segments

<i>Nine months ended 30 September 2020</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Operating profit / (loss)	(11,073)	143,102	51,868	1,315	185,212
Depreciation and amortisation	17,791	6,672	17,874	145	42,482
Loss on disposal of property, plant and equipment	1,341	169	74	-	1,584
Foreign exchange cash flow hedges	53,742	8,548	422	55	62,767
Operating foreign exchange difference	(51,602)	(18,941)	(5,108)	-	(75,651)
EBITDA	10,199	139,550	65,130	1,515	216,394
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	38,795	21,809	(60,604)	-	-
EBITDA (on a pass-through basis)	48,994	161,359	4,526	1,515	216,394