



# **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

Three Months Ended 31 March 2021

# INTERPIPE HOLDINGS PLC

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**INTERPIPE HOLDINGS PLC**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**  
*(in US dollar and in thousands)*

	31 March 2021	31 December 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	499,255	487,756
Intangible assets and goodwill	3,977	3,702
Investments in associates	692	723
Investment in joint venture	2,551	2,614
Deferred tax assets	20,224	24,219
Prepaid income tax	166	168
Other non-current assets	169	168
	<b>527,034</b>	<b>519,350</b>
<b>Current assets</b>		
Inventories	151,101	153,861
Trade and other accounts receivable	103,369	105,230
Prepayments and other current assets	39,482	31,306
Prepaid current income tax	2,587	2,868
Taxes recoverable, other than income tax	20,358	18,684
Cash and cash equivalents	53,917	96,631
	<b>370,814</b>	<b>408,580</b>
<b>TOTAL ASSETS</b>	<b>897,848</b>	<b>927,930</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Issued capital, net of unpaid	5	5
Share premium	94,277	94,277
Revaluation reserve	384,559	389,390
Retained earnings	1,180,528	1,242,919
Foreign currency translation reserve	(1,203,241)	(1,216,299)
	456,128	510,292
<b>Non-controlling interests</b>	10,382	10,194
<b>Total equity</b>	<b>466,510</b>	<b>520,486</b>
<b>Non-current liabilities</b>		
Shareholder's loan	47,968	46,827
Long-term borrowings	110,684	117,914
Deferred tax liabilities	28,920	29,835
Provisions	41,075	40,212
	<b>228,647</b>	<b>234,788</b>
<b>Current liabilities</b>		
Current portion of the long-term borrowings and interest accrued and payable	870	836
Trade and other accounts payable	59,381	57,104
Advances and other current liabilities	61,390	62,124
Dividends payable to shareholders	40,000	-
Current income tax payable	16,695	13,051
Taxes payable, other than income tax	3,512	4,223
Provisions	20,843	35,318
	<b>202,691</b>	<b>172,656</b>
<b>Total liabilities</b>	<b>431,338</b>	<b>407,444</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>897,848</b>	<b>927,930</b>

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

27 May 2021

# INTERPIPE HOLDINGS PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2021 *(in US dollar and in thousands)*



	<b>For the three month ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
Revenue	200,952	251,022
Cost of sales	(142,633)	(162,330)
<b>Gross profit</b>	<b>58,319</b>	<b>88,692</b>
Selling and distribution expenses	(19,971)	(25,606)
General and administrative expenses	(10,035)	(11,918)
Other operating income and expenses, net	(776)	(766)
Operating foreign exchange difference	(9,500)	67,664
<b>Operating profit</b>	<b>18,037</b>	<b>118,066</b>
Finance income	437	529
Finance costs	(4,832)	(11,638)
Non-operating foreign exchange difference	4,316	24,780
Share of loss of joint venture	(63)	(50)
Share of loss of associates	(42)	(243)
<b>Profit before tax</b>	<b>17,853</b>	<b>131,444</b>
Income tax (expense) / benefit	(5,027)	1,620
<b>Profit for the period</b>	<b>12,826</b>	<b>133,064</b>
<b>Profit / (loss) attributable to:</b>		
Equity holders of the parent	12,778	133,533
Non-controlling interests	48	(469)
	<b>12,826</b>	<b>133,064</b>
<b>Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:</b>		
Net income on cash flow hedges	-	20,922
Exchange differences on translation of foreign operations	13,198	(193,321)
<b>Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:</b>	<b>13,198</b>	<b>(172,399)</b>
<b>Other comprehensive income / (loss) for the period, net of tax:</b>	<b>13,198</b>	<b>(172,399)</b>
<b>Total comprehensive income / (loss) attributable to:</b>		
Equity holders of the parent	25,836	(36,869)
Non-controlling interests	188	(2,466)
	<b>26,024</b>	<b>(39,335)</b>

# INTERPIPE HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2021

(in US dollar and in thousands)



	Attributable to equity holders of the parent						Total	Non-controlling interests	Total equity
	Issued capital	Share premium	Revaluation reserve	Accumulated deficit	Cash flow hedge reserve	Foreign currency translation reserve			
<b>At 1 January 2020</b>	<b>5</b>	<b>94,277</b>	<b>411,166</b>	<b>1,032,515</b>	<b>(83,689)</b>	<b>(1,018,198)</b>	<b>436,076</b>	<b>13,132</b>	<b>449,208</b>
Profit / (loss) for the period	-	-	-	133,533	-	-	133,533	(469)	133,064
Other comprehensive income / (loss)	-	-	-	-	20,922	(191,324)	(170,402)	(1,997)	(172,399)
Total comprehensive income / (loss)	-	-	-	133,533	20,922	(191,324)	(36,869)	(2,466)	(39,335)
Depreciation transfer	-	-	(5,770)	5,770	-	-	-	-	-
<b>At 31 March 2020</b>	<b>5</b>	<b>94,277</b>	<b>405,396</b>	<b>1,171,818</b>	<b>(62,767)</b>	<b>(1,209,522)</b>	<b>399,207</b>	<b>10,666</b>	<b>409,873</b>

	Attributable to equity holders of the parent						Total	Non-controlling interests	Total equity
	Issued capital	Share premium	Revaluation reserve	Accumulated deficit	Cash flow hedge reserve	Foreign currency translation reserve			
<b>At 1 January 2021</b>	<b>5</b>	<b>94,277</b>	<b>389,390</b>	<b>1,242,919</b>	-	<b>(1,216,299)</b>	<b>510,292</b>	<b>10,194</b>	<b>520,486</b>
Profit for the period	-	-	-	12,778	-	-	12,778	48	12,826
Other comprehensive income	-	-	-	-	-	13,058	13,058	140	13,198
Total comprehensive income	-	-	-	12,778	-	13,058	25,836	188	26,024
Depreciation transfer	-	-	(4,831)	4,831	-	-	-	-	-
Dividends declared	-	-	-	(80,000)	-	-	(80,000)	-	(80,000)
<b>At 31 March 2021</b>	<b>5</b>	<b>94,277</b>	<b>384,559</b>	<b>1,180,528</b>	-	<b>(1,203,241)</b>	<b>456,128</b>	<b>10,382</b>	<b>466,510</b>

# INTERPIPE HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2021 (in US dollar and in thousands)



	For the three month ended 31 March	
	2021	2020
<b>Profit before tax</b>	<b>17,853</b>	<b>131,444</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	12,510	14,400
Movement in provisions less interest cost	(10,993)	(2,216)
Loss on disposal of property, plant and equipment	384	287
Reclassification of the foreign exchange loss to cost of sales	-	20,922
Finance costs	4,832	11,638
Finance income	(437)	(529)
Share of loss of joint venture	63	50
Share of loss of associates	42	243
Translation difference and foreign exchange difference	4,947	(92,269)
<b>Operating cash flows before working capital changes</b>	<b>29,201</b>	<b>83,970</b>
Decrease in inventories	3,535	11,078
Decrease in trade and other accounts receivable	2,335	486
Increase in prepayments and other assets	(10,682)	(7,118)
Increase in taxes recoverable, other than income tax	(1,516)	(7,611)
Increase in trade and other accounts payable	857	5,452
Decrease in taxes payable, other than income tax	(758)	(1,517)
Decrease in advances and other current liabilities	(547)	(67,547)
<b>Cash generated from operations</b>	<b>22,425</b>	<b>17,193</b>
Income tax paid	(954)	(8,158)
Interest and other finance costs paid	(641)	(2,226)
<b>Net cash inflow from operating activities</b>	<b>20,830</b>	<b>6,809</b>
<b>Cash flow from investing activities</b>		
Purchases of property, plant and equipment and intangible assets	(17,277)	(10,913)
Proceeds from sale of property, plant and equipment	187	-
Interest received	437	529
<b>Net cash outflow from investing activities</b>	<b>(16,653)</b>	<b>(10,384)</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowings	(6,472)	(121,000)
Dividends paid	(40,000)	-
<b>Net cash outflow from financing activities</b>	<b>(46,472)</b>	<b>(121,000)</b>
Net decrease in cash and cash equivalents	(42,295)	(124,575)
Net foreign exchange difference	(419)	1,862
<b>Cash and cash equivalents at period beginning</b>	<b>96,631</b>	<b>256,148</b>
<b>Cash and cash equivalents at period end</b>	<b>53,917</b>	<b>133,435</b>

**SEGMENT INFORMATION**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2021**  
*(in US dollar and in thousands)*

**Segment information**

*Segment revenues and results*

<i>Three months ended 31 March 2021</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Revenue	123,166	59,639	92,433	3,595	278,833
Elimination of sales to other segments	-	-	(77,881)	-	(77,881)
<b>Revenue – external</b>	<b>123,166</b>	<b>59,639</b>	<b>14,552</b>	<b>3,595</b>	<b>200,952</b>
<b>Operating profit / (loss)</b>	<b>(19,064)</b>	<b>8,898</b>	<b>27,427</b>	<b>776</b>	<b>18,037</b>
Finance income					437
Finance costs					(4,832)
Non-operating foreign exchange difference					4,316
Share of loss of joint venture					(63)
Share of loss of associates					(42)
Income tax expense					(5,027)
<b>Profit for the period</b>					<b>12,826</b>

For the three months ended 31 March 2021 share of profit of associates was attributable to the seamless pipes segment.

*EBITDA by segments*

<i>Three month ended 31 March 2021</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Operating profit / (loss)	(19,064)	8,898	27,427	776	18,037
Depreciation and amortisation	4,544	2,473	5,433	60	12,510
Loss / (gain) on disposal of property, plant and equipment	288	99	(3)	-	384
Foreign exchange cash flow hedges	-	-	-	-	-
Operating foreign exchange difference	7,299	(11)	2,212	-	9,500
<b>EBITDA</b>	<b>(6,933)</b>	<b>11,459</b>	<b>35,069</b>	<b>836</b>	<b>40,431</b>
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	22,116	11,218	(33,334)	-	-
<b>EBITDA (on a pass-through basis)</b>	<b>15,183</b>	<b>22,677</b>	<b>1,735</b>	<b>836</b>	<b>40,431</b>

# INTERPIPE HOLDINGS PLC



## SEGMENT INFORMATION FOR THE THREE MONTHS ENDED 31 MARCH 2021 (in US dollar and in thousands)

### Segment revenues and results

Three months ended 31 March 2020	Pipes	Railway wheels	Steel making	Other operations	Total
Revenue	112,478	127,761	83,988	3,155	327,382
Elimination of sales to other segments	-	-	(76,360)	-	(76,360)
<b>Revenue – external</b>	<b>112,478</b>	<b>127,761</b>	<b>7,628</b>	<b>3,155</b>	<b>251,022</b>
<b>Operating profit</b>	<b>16,081</b>	<b>82,450</b>	<b>19,237</b>	<b>298</b>	<b>118,066</b>
Finance income					529
Finance costs					(11,638)
Non-operating foreign exchange difference					24,780
Share of loss of joint venture					(50)
Share of loss of associates					(243)
Income tax benefit					1,620
<b>Profit for the period</b>					<b>133,064</b>

For the three months ended 31 March 2020 share of profit of associates was attributable to the seamless pipes segment.

### EBITDA by segments

Three months ended 31 March 2020	Pipes	Railway wheels	Steel making	Other operations	Total
Operating profit	16,081	82,450	19,237	298	118,066
Depreciation and amortisation	5,566	2,488	6,299	47	14,400
Loss on disposal of property, plant and equipment	179	74	34	-	287
Foreign exchange cash flow hedges	16,352	4,324	204	42	20,922
Operating foreign exchange difference	(42,837)	(19,731)	(5,096)	-	(67,664)
<b>EBITDA</b>	<b>(4,659)</b>	<b>69,605</b>	<b>20,678</b>	<b>387</b>	<b>86,011</b>
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	12,627	6,861	(19,488)	-	-
<b>EBITDA (on a pass-through basis)</b>	<b>7,968</b>	<b>76,466</b>	<b>1,190</b>	<b>387</b>	<b>86,011</b>