



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 2020

INTERPIPE HOLDINGS PLC

TABLE OF CONTENTS

Consolidated statement of financial position.....	3
Consolidated statement of comprehensive income.....	4
Consolidated statement of changes in equity.....	5
Consolidated statement of cash flows.....	6
Segment information.....	7

INTERPIPE HOLDINGS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020 (in US dollar and in thousands)



	30 September 2020	31 December 2019
ASSETS		
Non-current assets		
Property, plant and equipment	488,745	602,233
Intangible assets and goodwill	3,502	3,453
Investments in associates	914	1,222
Investment in joint venture	2,640	2,861
Deferred tax assets	28,921	35,966
Prepaid income tax	90	186
Other non-current assets	169	256
	524,981	646,177
Current assets		
Inventories	142,193	195,000
Trade and other accounts receivable	95,276	120,255
Prepayments and other current assets	33,832	29,592
Other financial assets	24,082	-
Prepaid current income tax	8,025	3,378
Taxes recoverable, other than income tax	20,735	17,597
Cash and cash equivalents	109,643	256,148
	433,786	621,970
TOTAL ASSETS	958,767	1,268,147
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	394,808	411,166
Retained earnings	1,210,864	1,032,515
Cash flow hedge reserve	(20,922)	(83,689)
Foreign currency translation reserve	(1,221,072)	(1,018,198)
	457,960	436,076
Non-controlling interests	12,162	13,132
Total equity	470,122	449,208
Non-current liabilities		
Subordinated loan	45,690	42,462
Long-term borrowings	205,419	296,449
Deferred tax liabilities	28,342	20,741
Provisions	30,980	35,609
	310,431	395,261
Current liabilities		
Current portion of the long-term borrowings and interest accrued and payable	3,516	122,560
Trade and other accounts payable	52,314	59,718
Advances and other current liabilities	59,540	150,362
Current income tax payable	8,771	12,612
Taxes payable, other than income tax	4,771	4,156
Provisions	49,302	74,270
	178,214	423,678
Total liabilities	488,645	818,939
TOTAL EQUITY AND LIABILITIES	958,767	1,268,147

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

Member of the Board, Chief Executive Officer

Fadi Khraybe

Chief Financial Officer

Denys Morozov

15 December 2020

INTERPIPE HOLDINGS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020 (in US dollar and in thousands)



	For the nine month ended 30 September	
	2020	2019
Revenue	660,404	862,552
Cost of sales	(450,885)	(605,489)
Gross profit	209,519	257,063
Selling and distribution expenses	(69,786)	(99,095)
General and administrative expenses	(26,361)	(39,733)
Other operating income and expenses	(3,811)	4,278
Operating foreign exchange difference	75,651	(44,259)
Operating profit	185,212	78,254
Finance income	7,006	8,695
Finance costs	(36,944)	(116,371)
Non-operating foreign exchange difference	23,213	(10,914)
Share of loss of joint venture	(221)	(138)
Share of loss of associates	(133)	(122)
Profit / (loss) before tax	178,133	(40,596)
Income tax	(15,675)	(20,118)
Profit / (loss) for the period	162,458	(60,714)
Profit / (loss) attributable to:		
Equity holders of the parent	161,991	(67,325)
Non-controlling interests	467	6,611
	162,458	(60,714)
Other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods:		
Net income on cash flow hedges	62,767	106,640
Exchange differences on translation of foreign operations	(204,311)	87,208
Net other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods:	(141,544)	193,848
Other comprehensive (loss) / income for the year, net of tax:	(141,544)	193,848
Total comprehensive income / (loss) attributable to:		
Equity holders of the parent	21,884	125,093
Non-controlling interests	(970)	8,041
	20,914	133,134

INTERPIPE HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

(in US dollar and in thousands)



Attributable to equity holders of the parent

	Issued capita l	Share premium	Revaluation reserve	Accumulated deficit	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non- controlling interests	Total equity
At 1 January 2019	62,304	426,065	434,151	(281,229)	(183,283)	(1,132,256)	(674,248)	4,749	(669,499)
Profit / (loss) for the period	-	-	-	(67,325)	-	-	(67,325)	6,611	(60,714)
Other comprehensive income	-	-	-	-	106,640	85,778	192,418	1,430	193,848
Total comprehensive income / (loss)	-	-	-	(67,325)	106,640	85,778	125,093	8,041	133,134
Depreciation transfer	-	-	(16,569)	16,569	-	-	-	-	-
At 30 September 2019	62,304	426,065	417,582	(331,985)	(76,643)	(1,046,478)	(549,155)	12,790	(536,365)

Attributable to equity holders of the parent

	Issued capita l	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

INTERPIPE HOLDINGS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020 *(in US dollar and in thousands)*



	For the nine month ended 30 September	
	2020	2019
Profit / (loss) before tax	178,133	(40,596)
Adjustments for:		
Depreciation and amortisation	42,482	35,029
Movement in provisions less interest cost	(21,803)	15,429
Loss on disposal of property, plant and equipment	1,584	1,731
Reclassification of the foreign exchange loss to cost of sales	62,767	41,021
Finance costs	36,944	116,371
Finance income	(7,006)	(8,695)
Share of loss of joint venture	221	138
Share of loss of associates	133	122
Translation difference and foreign exchange difference	(98,632)	56,356
Operating cash flows before working capital changes	194,823	216,906
Decrease / (increase) in inventories	26,505	(36,168)
Decrease / (increase) in trade and other accounts receivable	14,636	(14,917)
Increase in prepayments and other assets	(7,842)	(9,706)
Increase in taxes recoverable, other than income tax	(5,645)	(729)
Decrease in trade and other accounts payable	(1,688)	(19,065)
Increase in taxes payable, other than income tax	1,148	701
(Decrease) / increase in advances and other current liabilities	(74,358)	2,740
Cash generated from operations	147,579	139,762
Income tax paid	(12,534)	(5,406)
Interest and other finance costs paid	(15,414)	(10,741)
Net cash inflow from operating activities	119,631	123,615
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets	(27,491)	(41,505)
Proceeds from sale of property, plant and equipment	522	1,836
Interest received	1,498	2,165
Net cash outflow from investing activities	(25,471)	(37,504)
Cash flows from financing activities		
Repayments of borrowings	(218,000)	(47)
Purchase of other financial assets	(23,342)	-
Net cash outflow from financing activities	(241,342)	(47)
Net (decrease) / increase in cash and cash equivalents	(147,182)	86,064
Net foreign exchange difference	677	2,439
Cash and cash equivalents at period beginning	256,148	130,884
Cash and cash equivalents at period end	109,643	219,387

SEGMENT INFORMATION
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020
(in US dollar and in thousands)

Segment information

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					(15,675)
Profit for the period					162,458

For the nine months ended 30 September 2020 share of losses of associates and joint venture 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

SEGMENT INFORMATION
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020
(in US dollar and in thousands)

Segment revenues and results

<i>Nine months ended 30 September 2019</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Revenue	534,918	296,765	342,800	10,580	1,185,063
Elimination of sales to other segments	-	-	(322,511)	-	(322,511)
Revenue – external	534,918	296,765	20,289	10,580	862,552
Operating profit / (loss)	(37,555)	106,856	8,017	936	78,254
Finance income					8,695
Finance costs					(116,371)
Non-operating foreign exchange difference					(10,914)
Share of loss of joint venture					(138)
Share of loss of associates					(122)
Income tax					(20,118)
Loss for the period					(60,714)

For the nine months ended 30 September 2019 share of losses of associates and joint venture was attributable to the seamless pipes segment.

EBIDTA by segments

<i>Nine months ended 30 September 2019</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Operating profit / (loss)	(37,555)	106,856	8,017	936	78,254
Depreciation and amortisation	12,463	4,771	17,708	87	35,029
Loss on disposal of property, plant and equipment	911	811	9	-	1,731
Foreign exchange cash flow hedges	39,636	831	554	-	41,021
Operating foreign exchange difference	32,089	9,267	2,903	-	44,259
EBITDA	47,544	122,536	29,191	1,023	200,294
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	17,990	8,042	(26,032)	-	-
EBITDA (on a pass-through basis)	65,534	130,578	3,159	1,023	200,294