



**Q2 and the first six
months 2024
Operational and
Financial Overview**

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Key highlights of Q2 2024 and business outlook



-  Following the waves of massive air attacks during the spring that had destructed most of maneuvering energy generating capacities Interpipe started importing electricity from abroad to ensure uninterrupted electricity supplies for its production that led to skyrocketing of purchase prices for electricity
-  Interpipe has already piled up ca. 100K tons of steel billets as a preemptive measure given the EAF constitutes up to 80% in the total consumption of electricity of the Company
-  In the railway product segment, the Company ramped up its sales to Europe on the back of relatively stable prices for its products throughout this year
-  Global seamless pipe market continue cooling off: the curve of depreciation of market prices for seamless pipes has become flatter but the depreciation yet has been going on
-  At the same time, in Q2 2024 Interpipe succeeded in increasing sales of seamless pipes almost across all key markets that however resulted in additional investments in Working Capital
-  European region has become the bread-winner and key EBITDA contributor within 2024`

Pipe market



USA:

- In Q2 2024, rig count declined by 20 rigs q-o-q yielding by 129 rigs less than last year
- OCTG import volumes also fell by 31% q-o-q in Q2 2024 driven by continues consumption softening
- Average OCTG prices in Q2 declined by 9% q-o-q in Q2 2024, while in H1 2024 as whole dropped by 38% y-o-y

MENA:

- Steel pipe imports rose by 12% in Q2 2024, driven primarily by a 21% growth in linepipe volumes
- Share of Chinese supplies in the total imports hit 87%
- Average seamless pipe prices fell by 11% q-o-q, while OCTG prices contracted by 8% q-o-q in Q2 2024

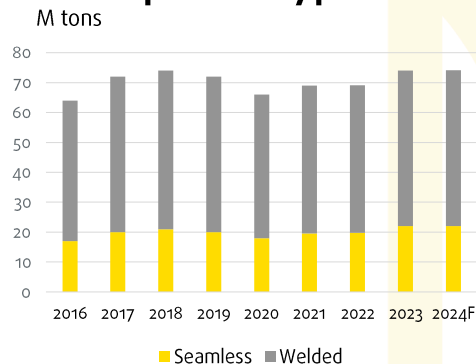
Europe

- Steel pipe demand in the EU weakened by 14% q-o-q in Q2 2024 due to a slowdown in the construction sector
- Prices for seamless pipes in Q2 2024 remained flat q-o-q

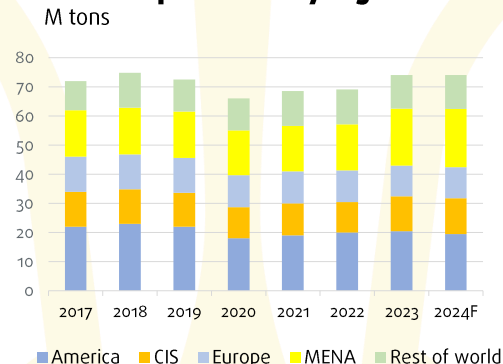
Ukraine

- In Q2 2024, the demand for seamless pipes in Ukraine hardened q-o-q amid a 30% hike in OCTG purchases by UGV
- However, in total in H1 2024, demand for seamless pipes remained quite stable y-o-y even on the back of construction sector slow down in Q2 2024

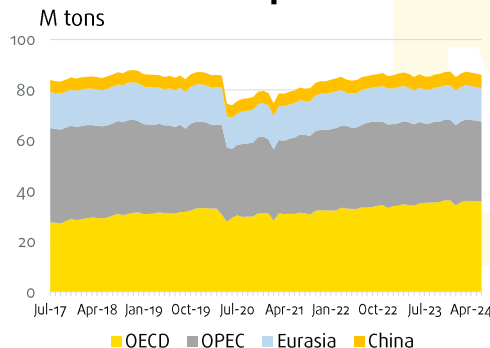
Pipe market by products¹



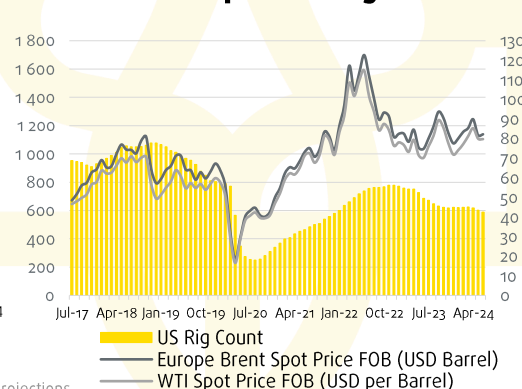
Pipe market by regions¹



Crude oil production



Crude oil price and rig count



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

Railway product market



Global railway products markets were mostly stable in Q2, although a slight decline as a result of 2024 is expected due to reverting down of US OEM segment forecasts after strong performance in the year before

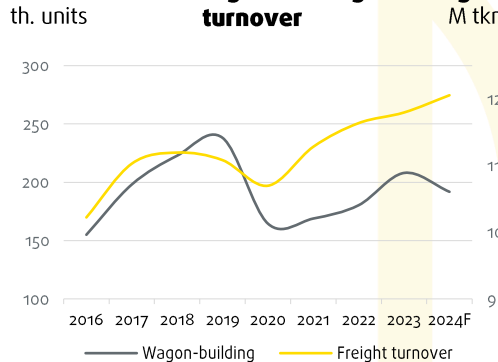
Europe:

- In Q2 2024, supplies of railway products to Europe rose by 8% q-o-q following acceleration in supplies from Ukraine and China
- In H1 2024, Total imports to Europe decreased by 5% y-o-y due to a significant drop in Chinese supplies by 70% y-o-y

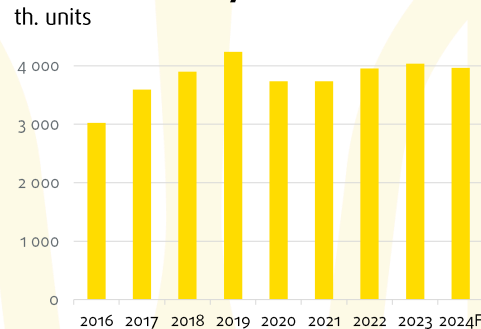
Ukraine:

- Q2 2024, wagon building industry showed a hike of 65% q-o-q also resulting a 65% y-o-y growth as a result of H1 2024
- The number of total depot and capital wagon repairs in Q2 rose by 18% q-o-q
- In Q2 2024, the share of after-market segment more than halved (from 59% to 25%) driven by rebounding of OEM market

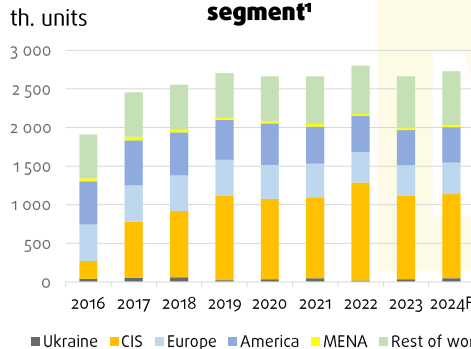
Global markets' wagon building and freight turnover



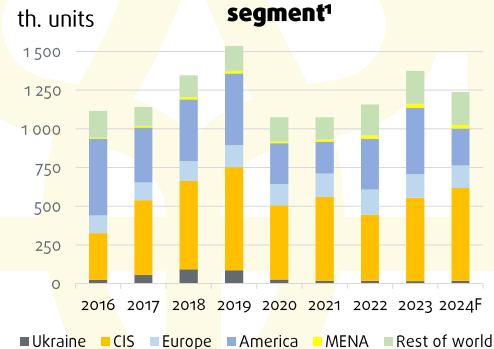
Railway wheel market'



Railway wheels for after-market segment'



Railway wheels for wagon-building segment'

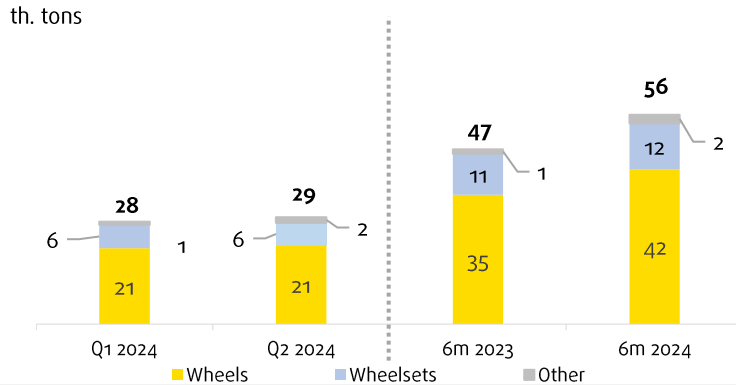


1. Excluding China. 2022 forecasts are as per the management's projections

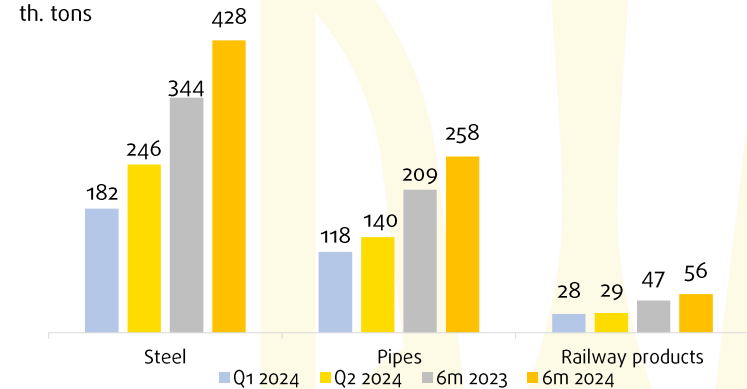
Operational results

- In Q2 2024, overall pipe production rose by 18% q-o-q and 23% y-o-y (in H1 2024) on the back of growing sales volumes
- OCTG production was flat q-o-q, while linepipe production grew by 25% q-o-q reflecting the change in the market conjuncture
- Railway product manufacturing in Q2 2024 gained 4% q-o-q and 20% y-o-y (in H1 2024) on the back of expansion in sales to European markets
- In Q2 2024, steel billets production hiked by 36% q-o-q as matter of the pre-emptive measures in accumulating a reserve stock of billets in case of potential black outs further during autumn-winter
- That resulted in a 24% y-o-y growth in steel billets production for the first six months 2024

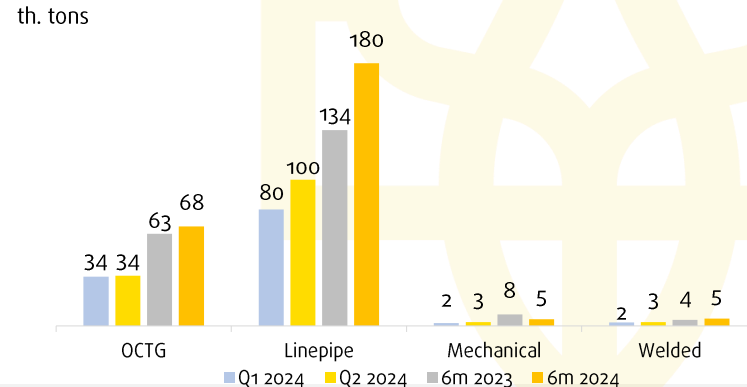
Railway products by type production dynamics



Production dynamics



Pipes by type production dynamics

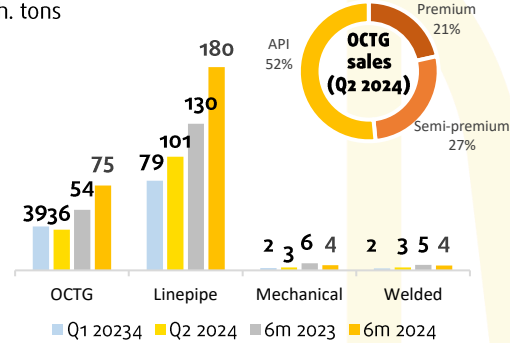


Pipe segment: Sales portfolio

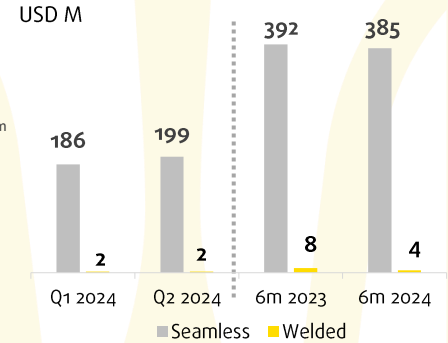


- In Q2 2024, sales volumes grew by 16% q-o-q having contributed to a 35% y-o-y growth in the first six months 2024
- Total OCTG sales volumes declined by 7% q-o-q in Q2 2024, while linepipe volumes surged by 27% q-o-q
- North American** sales in Q2 were 24% q-o-q higher driven by increase in OCTG sales, while total sales in H1 2024 surged by 48% y-o-y
- Europe** sales rose by 18% in Q2 q-o-q, particularly in the linepipe segment
- MENA** volumes in Q2 2024 grew by 18%, largely driven by a rise in linepipe sales on the back of decline in OCTG sales. Notably, total sales in H1 2024 surged by of 70% y-o-y. The region was the main contributor of the total seamless pipe sales volumes growth within the period
- Domestic** sales fell by 16% q-o-q in Q2 2024 due to a decline in OCTG sales to UGV following large imports from China. At the same time, linepipe sales increased due to orders from Ukrnafta

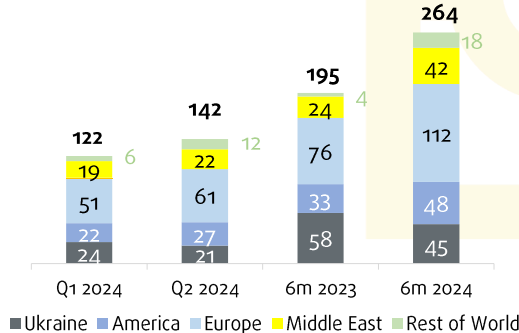
Pipe sales volumes by production type
th. tons



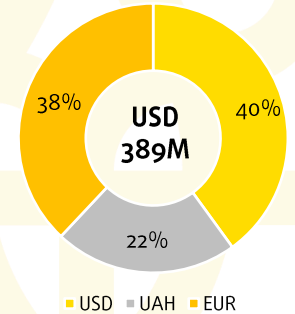
Pipe revenue by product type
USD M



Pipe sales volumes split by region
th. tons



Currency breakdown the first six months 2024

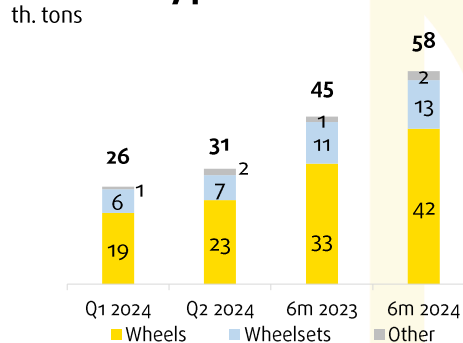


Railway product segment: Sales portfolio

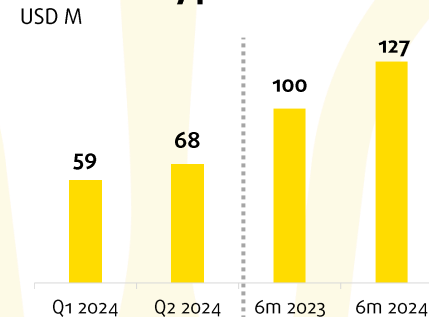


- In Q2 2024 railway products sales showed a continued growth of 18% q-o-q having reached the record quarterly level since the start of the full-scale invasion. The total sales in H1 2024 grew by 27% y-o-y
- Ukraine.** Domestic sales remained at the same level q-o-q in Q2 2024 supported by stable consumption by Ukrainian Railways (UZ) and wagonbuilding facilities
- Europe** as the key direction for Interpipe's railway product sales continued its growth in Q2 - by 10% q-o-q. European sales also showed considerable growth for the first six months 2024 - by 37% y-o-y that resulted in a 68% share in the total sales portfolio in H1 2024
- ROW** (including America and MENA) sales hiked by 98% q-o-q in Q2 after a contraction in Q1. The aggregate share of the regions in the total sales portfolio grew from 11% in Q1 to 19% in Q2

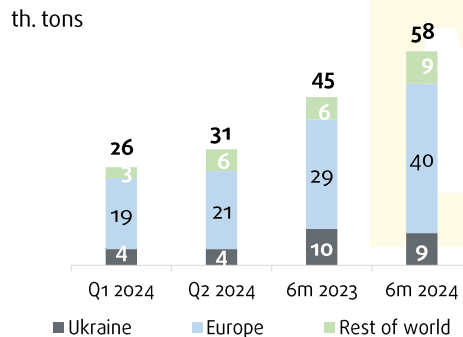
Railway product sales volumes



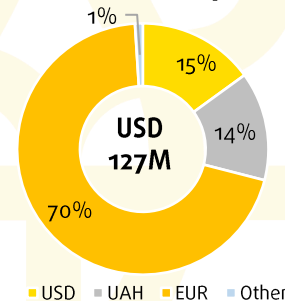
Railway product revenue



Railway product sales split by region

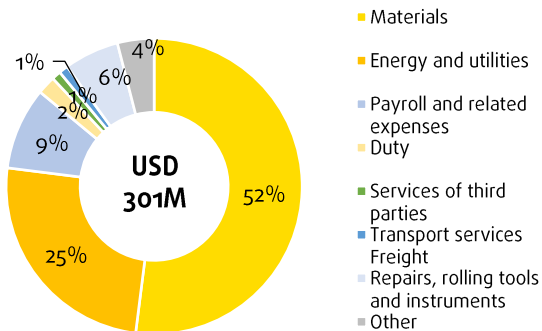


Currency breakdown the first six months 2024

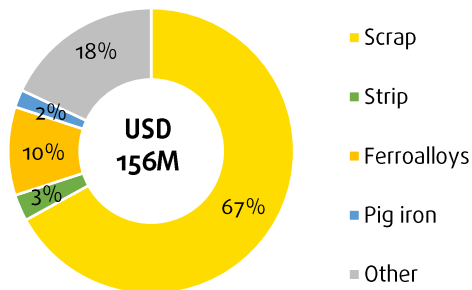


Cost structure for the first six months 2024

Cost of Sales breakdown¹



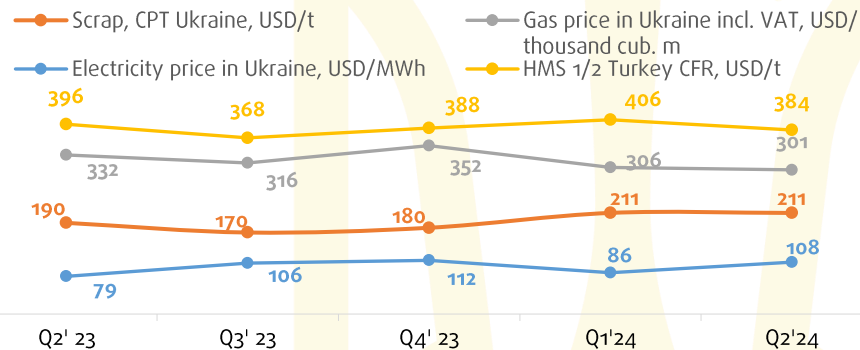
Materials breakdown



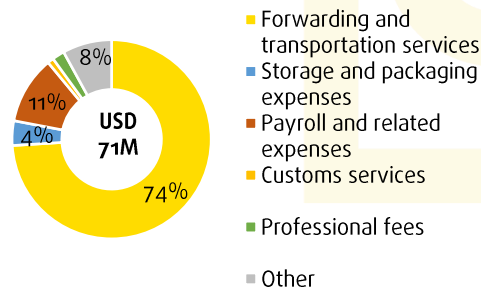
1. Net of Depreciation & Amortization item

2. Prices converted from UAH into USD at average USD/UAH rates for respective periods

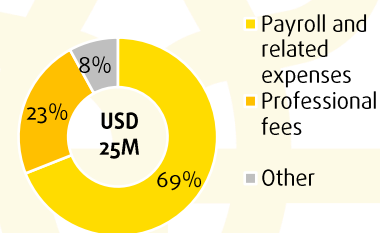
Evolution of market prices for key production inputs²



Selling & Distribution costs¹



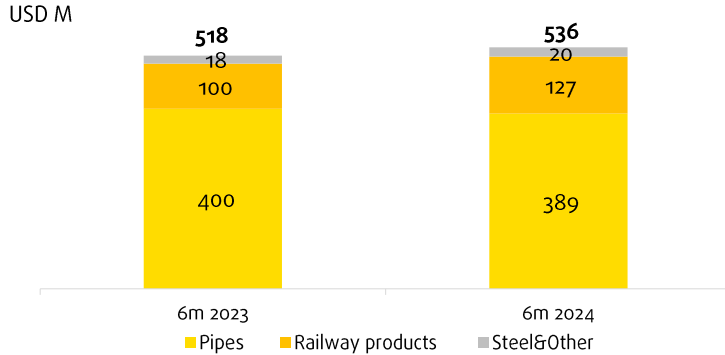
General & Administrative costs¹



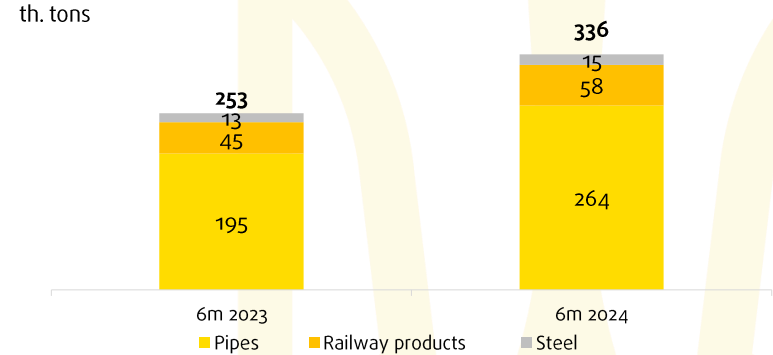
Financial Highlights¹ for the first six months 2024



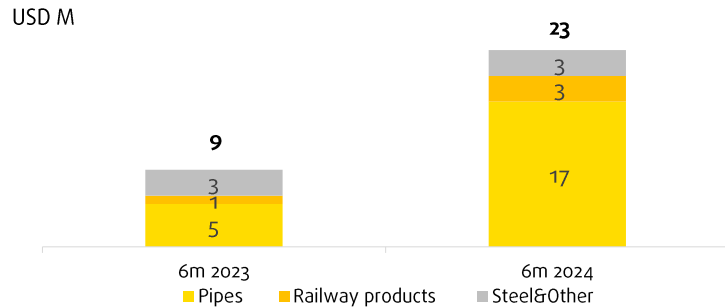
Revenue



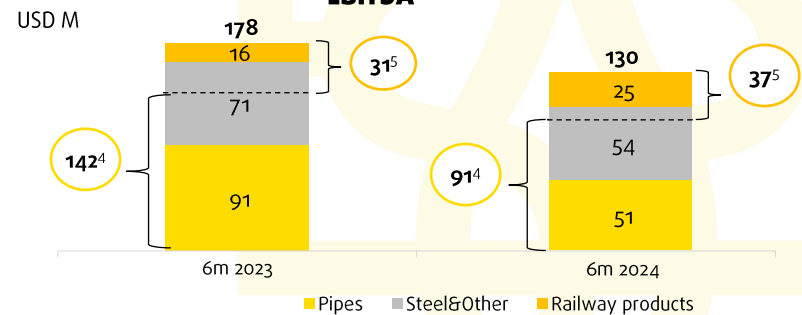
Sales volumes



Capex²



EBITDA³



1. Financial figures are presented based on the unaudited interim 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)

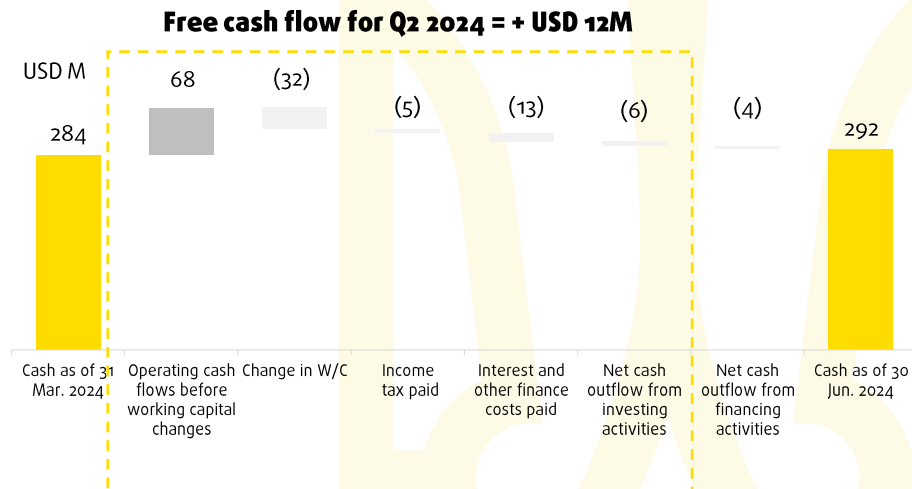
4. EBITDA of the pipe segment on a pass-through basis reallocating the relevant portion of EBITDA from the steel segment to the pipe segment

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

Cash flow

Free cash flow¹ in Q2 2024 amounted to USD 12M supporting the Company's persistent and resilient cash generation through the cycle that was mainly driven by:

- a robust conversion of EBITDA into cash (over 100%)
- additional investments in Working Capital driven by the growth in both production and sales volumes (USD 32M)
- income tax payments (USD 5M) on the back of the strong performance
- capex (USD 10M) buffered with USD 3M interest received on the cash balance



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 June 30, 2024, **Consolidated Total Debt¹** amounted to **USD 371M** 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 28M**
- Carrying value of the **Performance Sharing Fees and Securities** revalued upward to **USD 43M**

Cash & Cash Equivalents¹ grew up to **USD 294 M** during Q1 2024 that resulted in a continuous decline of **Consolidated Total Net Debt¹** to **USD 77M**

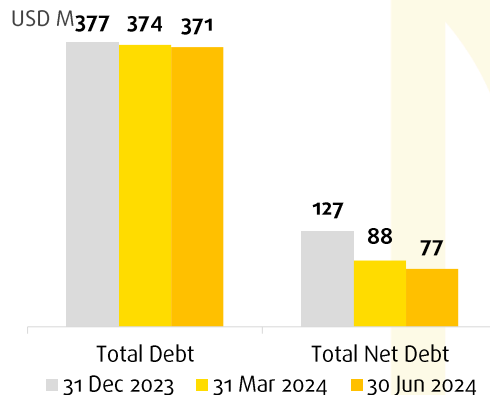
Consolidated Net Leverage Ratio¹ (Total Net Debt to EBITDA) as of June 30, 2024, strengthened at **0.3x**

The scheduled semiannual **coupon payment** under the Notes 2026 was duly **executed** on May 13, 2024 (amounted to **USD 12.5M**)

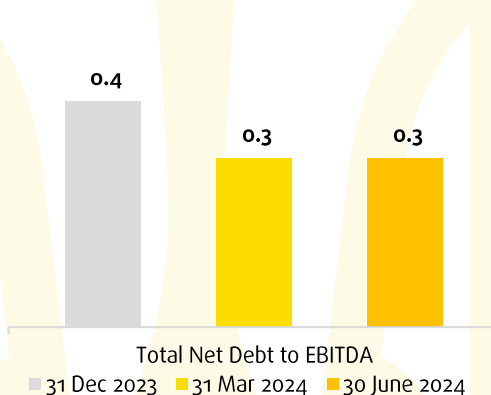
1. Total Debt, Cash & Cash Equivalents, Total Net Debt, Consolidated Net Leverage Ratio are calculated subject to the Terms and Conditions of the Notes 2026 set out in Schedule 1 to the Trust Deed

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=1.10

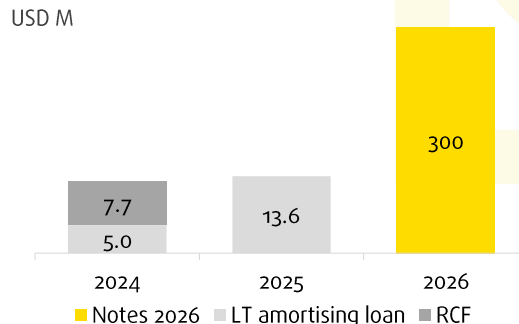
Debt Quantum¹



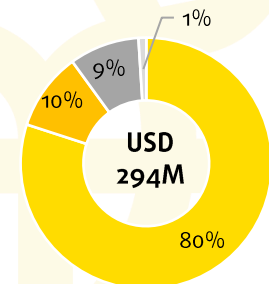
Consolidated Net Leverage ratio¹



Current Debt maturity profile²



Cash & Cash Equivalents¹ currency breakdown as of June 30, 2024



Legend: USD, EUR, UAH, Other