

PRESS RELEASE

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Interpipe announces operational and financial results for the first 3 months 2023

Interpipe (referred to as “Interpipe” or the “Company”), a global producer of steel pipes and railway products based in Ukraine, released (via Interpipe Holdings Plc) its unaudited IFRS consolidated financial statements for the period from January 1 to March 31, 2023.

3 months 2023 Operational and Financial Highlights:

- Steel output increased by 13% y-o-y, to 184 thousand tons, pipe production rose by 12% y-o-y, to 105 thousand tons, whereas railway products production went down by 13% y-o-y, to 20 thousand tons;
- Overall sales contracted by 23% y-o-y, to 108 thousand tons, incl. pipe sales - by 20% y-o-y, to 82 thousand tons, railway products sales - by 27% y-o-y, to 19 thousand tons, steel billet sales – by 50% y-o-y, to 6 thousand tons;
- Revenue slid by 4% y-o-y, to USD 229 million;
- EBITDA hiked up by 5.2x times y-o-y, to USD 79 million;
- Net Leverage ratio (Net Debt to adjusted EBITDA) strengthened to 0.7x.

Since the beginning of 2023 Interpipe’s production capacity utilization was affected by strict limits on electricity consumption for industrial consumers in Ukraine. However, the situation improved in March due to a removal of these restrictions. As a result, as well as on the back of the low comparison base in 2022 (as output was idled last year) steel production grew by 13% y-o-y, pipe production - by 12% y-o-y.

However, Interpipe’s total sales continued declining on the back of the first signs of markets cooling off. For example, OCTG sales decreased by 37% y-o-y, linepipe sales – by 12% y-o-y. The contraction in the railway products sales persisted, the Company is now seeking for opportunities to compensate it by means of increasing sales to the perspective markets of North and South America, the Middle East and Asia-Pacific region.

The drop in the operational indicators, in turn, led to a drop in Revenue that slid by 4% y-o-y, to USD 229 million. However, EBITDA hiked by more than 5 times y-o-y, to USD 79 million leading Net Leverage ratio (Net Debt to adjusted EBITDA) to improve to 0.7x.

Andriy Korotkov, CEO at Interpipe commented on the results:

- Starting from the middle of Q1, the Company's facilities returned to regular operations, without schedules on stop-start basis. That triggered an increase of production by the end of the quarter, and in some segments, for example, in the pipe division, it has been gradually getting back to the pre-war level.

Even in these tumultuous and fluid military conditions, Interpipe continues to fulfill all orders, delivers products to customers quickly and on-time. Significant support has been contributed by the extension of the suspension period for quotas and duties on Ukrainian steel products in the EU and safeguard duty in the USA.

About the company:

Interpipe is global producer of steel pipes and railway products based in Ukraine. The company's products are marketed in more than 80 countries all around the world via the network of sales offices located in key markets of Ukraine, Europe, North America and the Middle East. In 2022, Interpipe supplied 384 thousand tons of pipes and 87 thousand tons of railway products.

Interpipe has 10 thousand people working at the company's facilities. During 2022 the Company transferred UAH 2.8bn in taxes to budgets of all levels and extra-budgetary funds.

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