



PRESS RELEASE

September 13, 2021

Interpipe announces Q2 and the first six months 2021 Operational and Financial results

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 June 30, 2021.

Q2 2021 Financial Highlights:

- Revenue increased by 29% q-o-q to USD 260 million;
- EBITDA hiked by 75% q-o-q to USD 71 million;
- CAPEX decreased by 20% q-o-q to USD 14 million.

The first six months 2021 Financial Highlights:

- Revenue slid by 2% y-o-y to USD 460 million;
- EBITDA declined by 25% y-o-y to USD 111 million;
- CAPEX surged by 66% y-o-y to USD 31 million;
- Total Net Debt was equal to USD 199 million with Consolidated Net Leverage Ratio stood at a robust level of 0.9x.

In the first half 2021 Interpipe operated in the post-COVID-19 recovery business environment across all key markets and regions which stimulated consumption from oil & gas and construction sectors of key pipe products - OCTG and linepipe.

Despite 31% y-o-y growth in the pipe segment revenue; however, the embargo on the import of Ukrainian railway products in the Russian Federation imposed in February 2021 caused a 40% drop in Interpipe’s railway product segment revenue. As a result, total revenue for the first six months 2021 was down by 2% y-o-y.

EBITDA totaled USD 111 million, down 25% y-o-y for the first six months 2021. Margins suffered from skyrocketing prices for raw materials, including natural gas and ferrous scrap. Sales prices for both pipes and wheels lagged in rapid appreciation.

In the first half 2021 Interpipe ramped up its Capex by 66% spending USD 31 million in total. Capex in new projects tripled y-o-y amounting to USD 21 million.



INTERPIPE

As of 30 June 2021, Interpipe's Total Net Debt increased to USD 199 million following the successful issuance new 8.375% USD 300 million Eurobonds due 2026. Consolidated Net Leverage Ratio stood at a robust level of 0.9x.

Fadi Hraibi, CEO at Interpipe commented on the results:

In Q2 2021 Interpipe exhibited a strong performance amid the Company's vertical integration in scrap collection and own steel billet production as the steel making segment contribution overarched. We successfully expanded our seamless pipe sales by 54% q-o-q in Q2 and 16% y-o-y for the first six months 2021. Our R&D premium and semi-premium pipe connections (UPJ and INTERPID product portfolio) were one of main drivers for ramping up OCTG sales.

We also managed to overcome the embargo on the import of Ukrainian railway products to Russia by redirecting sales volumes to other destinations like the US, CIS, Europe and India. We expect to maintain this pace of 15,000 tons of monthly railway products sales achieved in Q2 for the rest of the year.

Finally, issuance of the USD 300 million Eurobond in May brought an ample liquidity buffer and fully secured our Capex program for 2021-2022. We continue investing in the expansion of our capacities: for the first half 2021 we invested over USD 13 million in the new pipe heat treatment project at Niko Tube and advanced in implementation of railway wheelset assembling project at NTRP.

About the company:

Interpipe is a global producer of steel pipes and railway wheels products, based in Ukraine. The company's products are shipped to more than 80 countries all around the world via a network of sales offices located in the key markets of Ukraine, Europe, North America and the Middle East.



INTERPIPE

Q2 and the first t six months 2021 Operational and Financial Results

#	Item	6m 2021	6m 2020	Change		Q2 2021	Q1 2021	Change	
		ths. tons	ths. tons	Δ	%, y-o-y	ths. tons	ths. tons	Δ	%, q-o-q
Production									
1.	Steel	457	393	64	16%	264	193	71	37%
2.	Pipes, o/w:	262	234	29	12%	155	107	48	45%
2.1.	<u>Seamless, o/w:</u>	235	198	38	19%	143	93	50	54%
2.1.1.	OCTG	73	42	31	74%	47	26	21	83%
2.1.2.	Linepipe	151	146	5	4%	89	62	27	44%
2.1.3.	Mechanical	11	10	1	12%	6	5	1	30%
2.2.	Welded	27	36	-9	-25%	13	14	-2	-12%
3.	Railway products, o/w:	82	102	-20	-19%	42	40	2	4%
3.1.	Wheels	68	91	-22	-25%	35	33	2	7%
3.2.	Wheelsets	11	8	3	40%	5,4	5,8	-0,5	-8%
3.3.	Axles	1,9	2,0	-0,1	-6%	1,0	0,9	0,0	4%
3.4.	Tyres	0,6	1,0	-0,4	-38%	0,2	0,4	-0,3	-60%
Sales									
1.	Steel	30	21	9	43%	18	11	7	61%
2.	Pipes, o/w:	257	236	21	9%	152	105	47	45%
2.1.	<u>Seamless, o/w:</u>	231	199	32	16%	140	91	49	54%
2.1.1.	OCTG	70	44	26	59%	44	27	17	63%
2.1.2.	Linepipe	150	146	4	3%	90	60	30	50%
2.1.3.	Mechanical	11	9	2	17%	6	4	2	35%
2.2.	Welded	26	37	-11	-30%	12	14	-2	-14%
3.	Railway products, o/w:	83	104	-21	-20%	44	39	4	11%
3.1.	Wheels	68	91	-23	-25%	36	32	4	13%
3.2.	Wheelsets	12	10	2	19%	6	6	0	8%
3.3.	Axles	1,9	1,8	0,1	8%	1,0	0,9	0,0	3%
3.4.	Tyres	0,7	1,0	-0,3	-33%	0,2	0,5	-0,3	-63%
TOTAL		370	361	9	2%	215	156	59	38%



INTERPIPE

#	Item ¹	6m 2021	6m 2020	Change		Q2 2021	Q1 2021	Change	
		ths. tons	ths. tons	Δ	%, y-o-y	ths. tons	ths. tons	Δ	%, q-o-q
1.	Revenue, o/w:	460	468	-8	-2%	260	201	59	29%
1.1.	Steel	21	15	6	39%	7	15	-8	-52%
1.2.	Pipes	302	231	71	31%	179	123	56	45%
1.3.	Railway products	129	216	-87	-40%	70	60	10	17%
1.4.	Other	8	5	2	39%	4	4	0	12%
2.	EBITDA², o/w:	111	149	-38	-25%	71	40	30	75%
2.1.	Steel	107	40	67	170%	72	35	37	105%
2.2.	Pipes	-11	-2	-8	388%	-4	-7	3	-48%
2.3.	Railway products	13	111	-98	-88%	1	11	-10	-88%
2.4.	Other	2	1	1,3	213%	1	1	0,2	20%
3.	Capex³	31	19	12	66%	14	17	-3	-20%
4.	Free cash flow⁴	5	52	-47	-90%	1	4	-3	-78%

#	Item ⁵	30 Jun 2021	31 Mar 2021	Change	
		USD M	USD M	Δ	%, q-o-q
1.	Total Debt	410	110	300	272%
2.	Total Net Debt	199	53	146	274%
3.	Consolidated Net Leverage Ratio	0,9	0,2	0,6	246%

1. Financial figures are presented based on the unaudited consolidated financial statements for the first six months 2021 prepared according to the IFRS
2. 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), and plus operating foreign exchange gain/(loss)
3. Capex figure represents line Purchases of property, plant and equipment and intangible assets as part of net cash flow from investing activities
4. Free cash flow is calculated as the net cash flow from operating activities less the net cash flow from investing activities
5. The figures are calculated subject to the Terms and Conditions (Trust Deed) under Notes 2026