



PRESS RELEASE

April 26, 2021

Interpipe releases the FY 2020 financial statements

Interpipe (referred to as “Interpipe” or the “Company”), a global producer of steel pipes and railway products based in Ukraine, released its audited IFRS consolidated financial statements for the period from 1 January to 31 December 2020.

FY 2020 Financial Highlights:

- Revenue decreased by 23% y-o-y to USD 865 million;
- Adjusted EBITDA grew by 6% y-o-y to USD 273 million;
- CAPEX was scaled down by 26% y-o-y to USD 44 million;
- Net Debt was reduced to USD 12 million while Net Leverage ratio (Net Debt to adjusted EBITDA) improved substantially to 0.1x.

Despite a turbulent period and challenging environment across all markets in 2020 that was triggered by the COVID-19 pandemic and downturn in oil & gas sector, Interpipe displayed robust financial performance and outperformed the results of the preceding year.

The 12 months 2020 adjusted EBITDA amounted to USD 273 million, up by 6% y-o-y, supported by strong geographical and product diversification and increased contribution of high value-added (HVA) products to the product mix. Although overall revenue decreased by 23% y-o-y to USD 865 million, the sales of Interpipe’s key products - linepipes and OCTG pipes with premium and semi-premium connections – have remained resilient.

The Company has also achieved growth of wheelsets sales by 33% y-o-y amid investments in additional production capacities and on the back of increasing presence of the Company in European, North American and Asian markets.

During the same period of time, Interpipe has remained committed to a prudent financial policy, having repaid practically all of its legacy debt facilities in full and achieving Net Leverage ratio of 0.1x as of 31 December 2020 (down from 0.6x as of 31 December 2019).

Fadi Hraibi, CEO at Interpipe commented on the results:

In 2020, the COVID-19 pandemic has brought uncertainty to the global economy. However, our key markets are now recovering after the downturn faster than expected. At the same time, Interpipe has strengthened its positions in premium product markets concluding several seminal contracts, e.g.: with Turkish TPAO for UPJ-F connections, UAE’s ADNOC for



INTERPIPE

linepipes and national German railway operator Deutsche Bahn for high-speed passenger railway wheels.

Unlike industry peers, Interpipe improved its financial performance and capital structure by increasing its EBITDA and repaying the restructured debt in full in January 2021, including the USD 309 million Notes due 2024. Interpipe's leverage is currently at the unprecedentedly low level both for the industry and region.

Interpipe stays committed to further sustainable development and growth in HVA products production and exports, particularly: wheels and wheelsets for markets outside the former USSR and our own R&D OCTG pipes with premium and semi-premium connections. The Company has been progressing on new investments projects, including: new wheelset workshop, heat treatment line modernization, threaded lines installation, as these projects are to contribute to further sustainable growth of the business and enhancement of the Company's technological and competitive edge.

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

FY 2020 Operational and Financial Results

#	Item	FY 2020	FY 2019	Change	
		ths. tons	ths. tons	Δ	%, y-o-y
Sales					
1.	Steel	35,0	23,7	11,3	48%
2.	Pipes, o/w:	470,0	595,1	-125,1	-21%
2.1.	Seamless, o/w:	389,9	483,7	-93,8	-19%
2.1.1.	OCTG	83,3	174,0	-90,7	-52%
2.1.1.1.	including OCTG premium and semi-premium	26,8	30,0	-3,2	-11%
2.1.2.	Linepipe (including mechanical pipes)	306,6	309,7	-3,1	-1%
2.2.	Welded	80,2	111,4	-31,2	-28%
3.	Railway products, o/w:	192,5	203,4	-10,9	-5%
3.1.	Wheels	166,4	181,9	-15,5	-9%
3.2.	Wheelsets	19,5	14,7	4,8	33%
3.3.	Axles	3,9	4,1	-0,2	-4%
3.4.	Tyres	2,7	2,7	0,0	3%
TOTAL		697,5	822,2	-124,7	-15%

#	Item ¹	FY 2020	FY 2019	Change	
		mln USD	mln USD	Δ	%, y-o-y
1.	Revenue, o/w:	865	1 122	-257	-23%
1.1.	Steel	26	25	1	6%
1.2.	Pipes	467	658	-190	-29%
1.3.	Railway products	359	425	-66	-16%
1.4.	Other	13	15	-2	-14%
2.	Adjusted EBITDA ² , o/w:	273	259	14	6%
2.1.	Steel	93	32	61	190%
2.2.	Pipes	21	35	-14	-40%
2.3.	Railway products	158	190	-33	-17%
2.4.	Other	2	1	0,8	58%
3.	Capex ³	44	60	-16	-26%
4.	Free cash flow ⁴	121	133	-12	-9%

#	Item ⁵	As of 31Dec 2020	As of 31 Dec 2019	Change	
		mln USD	mln USD	Δ	%, y-o-y
1.	Gross Debt	119	419	-300	-72%
2.	Net Debt	22	163	-141	-86%
3.	Consolidated Leverage Ratio (Debt to EBITDA)	0,4	1,6	-1,2	-73%
4.	Consolidated Net Leverage Ratio (Net Debt to EBITDA)	0,1	0,6	-0,5	-87%

1. Financial figures are presented based on the audited consolidated financial statements for the full year 2020 prepared according to the IFRS

2. Adjusted 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 foreign exchange cash flow hedges effect, 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

