



INTERPIPE

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

Six Months Ended 30 June 2022

INTERPIPE HOLDINGS PLC

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022 (in US dollar and in thousands)



	30 June 2022	31 December 2021
ASSETS		
Non-current assets		
Property, plant and equipment	477,065	523,025
Intangible assets and goodwill	4,751	5,097
Investments in associates	506	865
Investment in joint venture	1,992	2,396
Deferred tax assets	16,649	8,318
Prepaid income tax	151	162
Other non-current assets	10,054	6,919
	511,168	546,782
Current assets		
Inventories	163,034	214,398
Trade and other accounts receivable	143,669	188,967
Prepayments and other current assets	76,218	36,867
Prepaid current income tax	2,388	2,368
Taxes recoverable, other than income tax	33,818	21,445
Other current financial assets	-	50,478
Cash and cash equivalents	156,767	109,627
	575,894	624,150
TOTAL ASSETS	1,087,062	1,170,932
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	371,567	382,601
Retained earnings	1,109,447	1,125,863
Foreign currency translation reserve	(1,242,974)	(1,180,510)
	332,322	422,236
Non-controlling interests	10,423	13,182
Total equity	342,745	435,418
Non-current liabilities		
Shareholder's loan	54,187	51,627
Long-term borrowings	388,231	387,031
Deferred tax liabilities	22,738	24,972
Provisions	39,214	40,524
	504,370	504,154
Current liabilities		
Current portion of the long-term borrowings and interest accrued and payable	36,649	35,580
Trade and other accounts payable	101,956	109,034
Advances and other current liabilities	63,849	58,481
Current income tax payable	27,291	18,864
Taxes payable, other than income tax	6,244	5,624
Provisions	3,958	3,777
	239,947	231,360
Total liabilities	744,317	735,514
TOTAL EQUITY AND LIABILITIES	1,087,062	1,170,932

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

Chief Executive Office

Andrii Korotkov

Sergiy Kuz'menko

27 September 2022

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2022 (in US dollar and in thousands)



	For the six month ended 30 June	
	2022	2021
Revenue	461,443	460,471
Cost of sales	(304,615)	(309,122)
Gross profit	156,828	151,349
Selling and distribution expenses	(98,817)	(47,653)
General and administrative expenses	(21,591)	(23,139)
Other operating income and expenses, net	(5,661)	4,795
Operating foreign exchange difference	35,808	(22,505)
Operating profit	66,567	62,847
Finance income	389	713
Finance costs	(25,831)	(13,590)
Non-operating foreign exchange difference	(15,518)	820
Share of loss of joint venture	(403)	(66)
Share of (loss) / profit of associates	(305)	42
Profit before tax	24,899	50,766
Income tax expense	(5,367)	(21,335)
Profit for the period	19,532	29,431
Profit attributable to:		
Equity holders of the parent	21,450	28,448
Non-controlling interests	(1,918)	983
	19,532	29,431
Other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(63,305)	43,844
Net other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods:	(63,305)	43,844
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods:		
Re-measurement loss on defined benefit plans	-	550
Income tax effect	-	(99)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:	-	451
Other comprehensive (loss) / income for the period, net of tax:	(63,305)	44,295
Total comprehensive (loss) / income attributable to:		
Equity holders of the parent	(41,014)	72,320
Non-controlling interests	(2,759)	1,406
	(43,773)	73,726

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**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2022**
(in US dollar and in thousands)

	Attributable to equity holders of the parent						Non- controlling interests	Total equity
	Issued capital	Share premium	Revaluation reserve	Retained earnings	Foreign currency translation reserve	Total		
At 1 January 2021	5	94,277	389,390	1,242,919	(1,216,299)	510,292	10,194	520,486
Profit for the period	-	-	-	28,448	-	28,448	983	29,431
Other comprehensive income	-	-	-	451	43,421	43,872	423	44,295
Total comprehensive income	-	-	-	28,899	43,421	72,320	1,406	73,726
Depreciation transfer	-	-	(8,721)	8,721	-	-	-	-
Dividends declared	-	-	-	(230,000)	-	(230,000)	-	(230,000)
At 30 June 2021	5	94,277	380,669	1,050,539	(1,172,878)	352,612	11,600	364,212
	Attributable to equity holders of the parent						Non- controlling interests	Total equity
	Issued capital	Share premium	Revaluation reserve	Retained earnings	Foreign currency translation reserve	Total		
At 1 January 2022	5	94,277	382,601	1,125,863	(1,180,510)	422,236	13,182	435,418
Profit / (loss) for the period	-	-	-	21,450	-	21,450	(1,918)	19,532
Other comprehensive loss	-	-	-	-	(62,464)	(62,464)	(841)	(63,305)
Total comprehensive income / (loss)	-	-	-	21,450	(62,464)	(41,014)	(2,759)	(43,773)
Depreciation transfer	-	-	(11,034)	11,034	-	-	-	-
Dividends declared	-	-	-	(48,900)	-	(48,900)	-	(48,900)
At 30 June 2022	5	94,277	371,567	1,109,447	(1,242,974)	332,322	10,423	342,745

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2022 (in US dollar and in thousands)

	For the six month ended 30 June	
	2022	2021
Profit before tax	24,899	50,766
Adjustments for:		
Depreciation and amortisation	19,509	25,806
Movement in provisions less interest cost	35,163	(33,895)
Loss on disposal of property, plant and equipment	161	51
Finance costs	25,831	13,590
Finance income	(389)	(713)
Share of loss of joint venture	403	66
Share of loss / (profit) of associates	305	(42)
Translation difference and foreign exchange difference	(20,158)	20,022
Operating cash flows before working capital changes	85,724	75,651
Decrease / (increase) in inventories	12,782	(3,440)
Decrease / (increase) in trade and other accounts receivable	35,880	(23,693)
Increase in prepayments and other assets	(45,219)	(13,183)
Increase in taxes recoverable, other than income tax	(13,531)	(4,606)
(Decrease) / increase in trade and other accounts payable	(2,421)	11,739
Increase in taxes payable, other than income tax	960	98
Increase / (Decrease) in advances and other current liabilities	7,699	(3,005)
Cash generated from operations	81,874	39,561
Income tax paid	(8,143)	(1,194)
Interest and other finance costs paid	(13,726)	(3,706)
Net cash inflow from operating activities	60,005	34,661
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets	(9,016)	(31,069)
Proceeds from sale of property, plant and equipment	21	797
Interest received	389	713
Net cash outflow from investing activities	(8,606)	(29,559)
Cash flows from financing activities		
Proceeds from borrowings	-	300,000
Repayments of borrowings	(120)	(6,472)
Dividends paid	-	(190,000)
Net cash (outflow) / inflow from financing activities	(120)	103,528
Net increase in cash and cash equivalents	51,279	108,630
Net foreign exchange difference	(4,139)	747
Cash and cash equivalents at period beginning	109,627	96,631
Cash and cash equivalents at period end	156,767	206,008

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SEGMENT INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2022 (in US dollar and in thousands)



Segment information

Segment revenues and results

<i>Six months ended 30 June 2022</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Revenue	358,043	78,611	154,193	4,791	595,638
Elimination of sales to other segments	-	-	(134,195)	-	(134,195)
Revenue – external	358,043	78,611	19,998	4,791	461,443
Operating profit	40,088	2,760	23,707	12	66,567
Finance income					389
Finance costs					(25,831)
Non-operating foreign exchange difference					(15,518)
Share of loss of joint venture					(403)
Share of loss of associates					(305)
Income tax expense					(5,367)
Profit for the period					19,532

For the six months ended 30 June 2022 share of profit of associates was attributable to the seamless pipes segment.

EBITDA by segments

<i>Six month ended 30 June 2022</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Operating profit	40,088	2,760	23,707	12	66,567
Depreciation and amortisation	6,751	4,566	8,118	74	19,509
Loss on disposal of property, plant and equipment	56	41	64	-	161
Operating foreign exchange difference	(24,262)	(9,898)	(1,648)	-	(35,808)
EBITDA	22,633	(2,531)	30,241	86	50,429
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	20,475	8,197	(28,672)	-	-
EBITDA (on a pass-through basis)	43,108	5,666	1,569	86	50,429

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SEGMENT INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2022 (in US dollar and in thousands)



Segment revenues and results

<i>Six months ended 30 June 2021</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Revenue	302,000	129,372	222,050	7,633	661,055
Elimination of sales to other segments	-	-	(200,584)	-	(200,584)
Revenue – external	302,000	129,372	21,466	7,633	460,471
Operating profit / (loss)	(35,178)	4,770	91,537	1,718	62,847
Finance income					713
Finance costs					(13,590)
Non-operating foreign exchange difference					820
Share of loss of joint venture					(66)
Share of profit of associates					42
Income tax expense					(21,335)
Profit for the period					29,431

For the six months ended 30 June 2021 share of loss of associates was attributable to the seamless pipes segment.

EBITDA by segments

<i>Six months ended 30 June 2021</i>	<i>Pipes</i>	<i>Railway wheels</i>	<i>Steel making</i>	<i>Other operations</i>	<i>Total</i>
Operating profit / (loss)	(35,178)	4,770	91,537	1,718	62,847
Depreciation and amortisation	8,123	5,723	11,839	121	25,806
(Gain) / loss on disposal of property, plant and equipment	(115)	98	68	-	51
Operating foreign exchange difference	16,664	2,237	3,604	-	22,505
EBITDA	(10,506)	12,828	107,048	1,839	111,209
Reallocation of EBITDA from Steelmaking to Pipes and Railway wheels segments	63,967	37,786	(101,753)	-	-
EBITDA (on a pass-through basis)	53,461	50,614	5,295	1,839	111,209