



# PRESS RELEASE

July 20, 2020

## Interpipe releases report on operations for June 2020

Interpipe, a global producer of steel pipes and railway products, has released (via Interpipe Holdings Plc) its monthly report on operations for June 2020

### Operational Highlights

Pipe products sales in June 2020 remained vulnerable and affected by negative consequences of COVID-19 pandemic and global oil&gas crisis:

- OCTG sales slightly rebounded (by 9.7% m-o-m) amid higher deliveries of already contracted volumes to Turkey while sales to other regions declined. Oil prices, as well as supply-demand balance, showed some positive dynamics throughout June but demand on OCTG in the US and other regions was far from recovering and markets remained depressed (sales slumped by 55.8% y-o-y for the 6 months 2020)
- Linepipe sales volumes were fairly flat (-0.6% m-o-m) due to a persistently soft demand, however with some signs of recovery in the US and MENA
- Mechanical pipe sales showed some recovery (+111.1% m-o-m) amid a higher demand from the domestic and Belarussian off-takers as more machinery producers resumed their operations after lockdowns.
- Welded pipe sales growth (by 8.6% m-o-m) was attributable to a deferred demand after limited sales in previous months and depleted stocks in Ukraine and rehabilitation of sales in Europe
- Railway products sales dropped drastically (-42.8% m-o-m) following reinstatement of the 34.22% antidumping duty in the Customs Union on railway wheels from Ukraine starting from June 2, 2020. In fact, standalone sales to the Customs Union plunged in over 13x m-o-m but a third of this plunge was buffered by an increase of sales to Ukrainian private companies and higher deliveries to other CIS countries



**INTERPIPE**

## Report On Operations

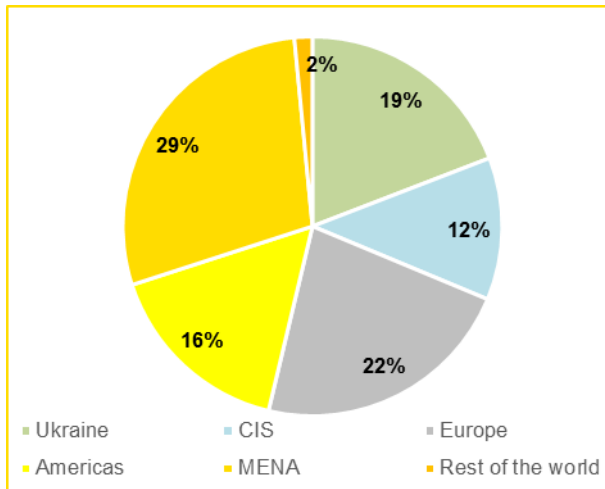
#	Product	June 2020		6 months 2020		Change	
		Thousand tons	% of total <sup>2</sup>	Thousand tons	% of total <sup>2</sup>	% m-o-m	6 months 2020, % y-o-y
<b>Production</b>							
1.	Steel	60,3	n/a	393,2	n/a	-0,5%	-17,2%
2.	Pipes, o/w:	39,4	76,4%	233,6	69,7%	-2,2%	-31,6%
2.1.	Seamless, o/w:	31,9	61,8%	197,7	58,9%	-5,3%	-29,8%
2.1.1.	OCTG	7,2	13,9%	42,6	12,7%	143,6%	-65,3%
2.1.2.	Linepipe	22,2	43,0%	146,1	43,6%	-24,6%	2,5%
2.1.3.	Mechanical	2,5	4,9%	9,0	2,7%	91,5%	-44,5%
2.2.	Welded	7,5	14,6%	36,0	10,7%	13,2%	-40,3%
3.	Railway products	12,2	23,6%	101,8	30,3%	-30,7%	4,1%
3.1.	Wheels <sup>1</sup>	9,9	19,2%	90,7	27,0%	-36,9%	2,6%
3.2.	Wheelsets <sup>1</sup>	1,8	3,4%	8,0	2,4%	35,7%	12,2%
3.3.	Axles <sup>1</sup>	0,2	0,5%	2,0	0,6%	-25,4%	17,3%
3.4.	Tyres	0,3	0,5%	1,0	0,3%	13,3%	112,1%
<b>Sales</b>							
1.	Steel <sup>3</sup>	5,4	8,3%	20,6	5,7%	66,1%	124,5%
2.	Pipes, o/w:	48,9	75,3%	236,8	65,4%	4,8%	-25,4%
2.1.	Seamless, o/w:	39,5	60,8%	199,5	55,1%	3,9%	-23,7%
2.1.1.	OCTG	4,3	6,6%	44,6	12,3%	9,7%	-55,8%
2.1.2.	Linepipe	32,7	50,3%	145,8	40,3%	-0,6%	-0,1%
2.1.3.	Mechanical	2,5	3,9%	9,1	2,5%	111,1%	-38,1%
2.2.	Welded	9,5	14,6%	37,4	10,3%	8,6%	-33,1%
3.	Railway products	10,6	16,3%	104,5	28,9%	-42,8%	8,5%
3.1.	Wheels <sup>1</sup>	8,6	13,2%	91,3	25,2%	-46,4%	5,0%
3.2.	Wheelsets <sup>1</sup>	1,6	2,4%	10,4	2,9%	-17,3%	52,4%
3.3.	Axles <sup>1</sup>	0,2	0,3%	1,8	0,5%	-51,1%	-12,6%
3.4.	Tyres	0,3	0,4%	1,0	0,3%	13,3%	112,1%
<b>TOTAL</b>		<b>64,9</b>	<b>100,0%</b>	<b>361,9</b>	<b>100,0%</b>	<b>-5,2%</b>	<b>-14,4%</b>
1. Wheels and axles are inter alia utilized as components (semi-products) for wheelset production							
2. Excluding steel figures for production only							
3. For steel - only external sales							



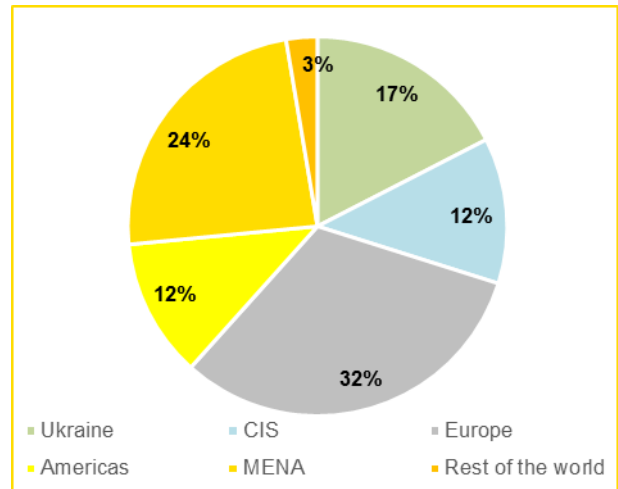
**INTERPIPE**

## Regional Sales Data. Pipe products

June 2020. Pipes sales by region, th.tons

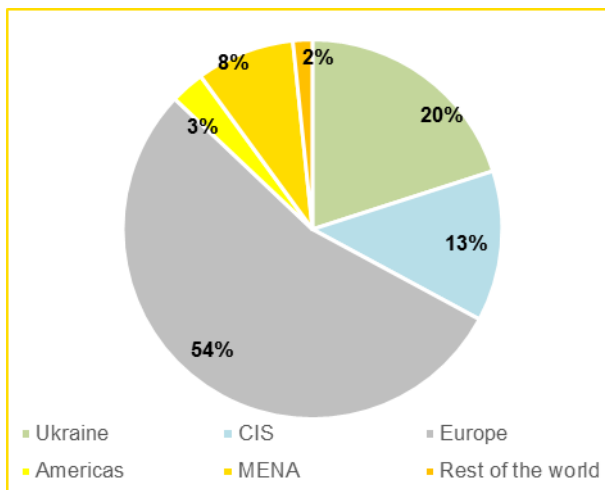


6 months 2020. Pipes sales by region, th.tons

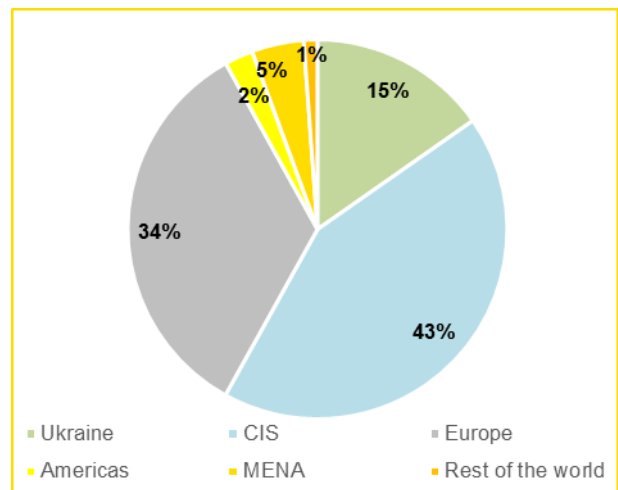


## Regional Sales Data. Railway products

June 2020. Railway products sales by region, th.tons



6 months 2020. Railway products sales by region, th.tons





**INTERPIPE**

**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.

Interpipe has 11 thousand people working at the company's facilities.