

# PRESS RELEASE

November 18, 2020



## Interpipe releases report on operations for October 2020

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

### Operational Highlights

In October 2020, the **overall pipe product sales** bounced down by 30.2% m-o-m, after the 40.8% m-o-m hike one month before. At the same time, sales for the 10 months 2020 have surpassed the ones for the 9 months 2020 on year-on-year basis: minus 22.0% y-o-y vs minus 26.6% y-o-y.

**OCTG sales** kept descending and slumped by 44.3% m-o-m, but remained stable in terms the y-o-y dynamics – about in 54% y-o-y. The m-o-m decline is also well explained by:

- no deliveries to the MENA region which is highly dependent of schedules of individual projects;
- soft demand from the US market;
- contrariwise, certain rebound of domestic sales.

This monthly decline is expected to be recouped in November, including amid a boost of sales in Ukraine, which is evidenced by 7.9% m-o-m growth in production in October.

After the hike in September (72.5% m-o-m) **linepipe sales** felt some normalization in October (minus 36.9% m-o-m) due to a decline of sales to the UAE where large deliveries were scheduled on and finalized in September. We expect the monthly sales dynamics to revert in December as **linepipe production** in October went down by 11.7% m-o-m only.

**Mechanical pipe sales** were fairly flat (+0.6% m-o-m) including amid higher deliveries of cold-rolled pipes to Europe.

**Welded pipe sales** almost reverted to the August level (+10.2% m-o-m) amid an increase of sales to Europe (following the boost of demand from appliances and automotive sectors) on the back of a soften demand from Ukraine and the CIS.

**Sales volumes of railway products** saw a modest decline by 4.5% m-o-m: weak demand from Ukrainian wagon manufactures was limited by higher wheelsets sales to the EU and wheels to the CU region.



**INTERPIPE**

## Report On Operations

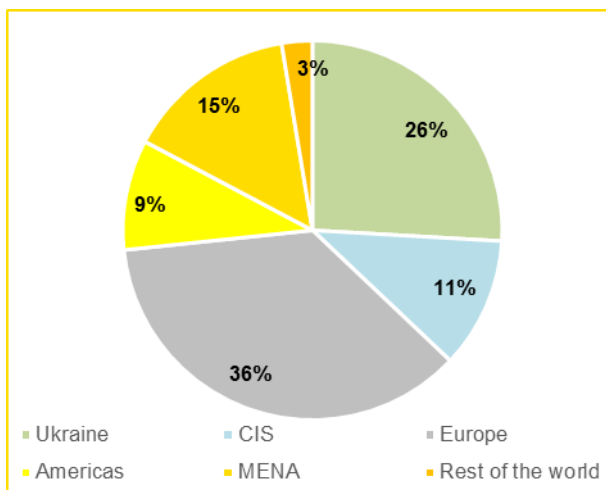
#	Product	October 2020		10 months 2020		Change	
		Thousand tons	% of total <sup>2</sup>	Thousand tons	% of total <sup>2</sup>	% m-o-m	10 months 2020, % y-o-y
<b>Production</b>							
1.	<b>Steel</b>	<b>62,8</b>	<b>n/a</b>	<b>641,1</b>	<b>n/a</b>	<b>-2,8%</b>	<b>-13,9%</b>
2.	<b>Pipes, o/w:</b>	<b>38,3</b>	<b>71,4%</b>	<b>388,1</b>	<b>70,7%</b>	<b>-7,4%</b>	<b>-24,5%</b>
2.1.	<u>Seamless, o/w:</u>	<u>30,5</u>	<u>56,8%</u>	<u>319,7</u>	<u>58,2%</u>	<u>-8,8%</u>	<u>-23,4%</u>
2.1.1.	OCTG	4,2	7,8%	60,1	10,9%	7,9%	-61,8%
2.1.2.	Linepipe	24,8	46,2%	244,5	44,5%	-11,7%	4,3%
2.1.3.	Mechanical	1,5	2,8%	15,1	2,7%	4,3%	-41,8%
2.2.	Welded	<u>7,9</u>	<u>14,6%</u>	<u>68,4</u>	<u>12,4%</u>	<u>-1,4%</u>	<u>-29,0%</u>
3.	<b>Railway products</b>	<b>15,4</b>	<b>28,6%</b>	<b>161,1</b>	<b>29,3%</b>	<b>-2,1%</b>	<b>-4,8%</b>
3.1.	Wheels <sup>1</sup>	13,5	25,1%	141,1	25,7%	1,4%	-6,9%
3.2.	Wheelsets <sup>1</sup>	1,6	3,0%	14,8	2,7%	-12,4%	14,5%
3.3.	Axles <sup>1</sup>	0,3	0,5%	3,4	0,6%	-15,8%	5,7%
3.4.	Tyres	0,0	0,0%	1,8	0,3%	-100,0%	19,0%
<b>Sales</b>							
1.	<b>Steel<sup>3</sup></b>	<b>3,2</b>	<b>6,0%</b>	<b>29,4</b>	<b>5,0%</b>	<b>68,5%</b>	<b>37,8%</b>
2.	<b>Pipes, o/w:</b>	<b>34,4</b>	<b>64,9%</b>	<b>393,6</b>	<b>67,2%</b>	<b>-30,2%</b>	<b>-22,0%</b>
2.1.	<u>Seamless, o/w:</u>	<u>27,0</u>	<u>51,0%</u>	<u>325,2</u>	<u>55,5%</u>	<u>-36,5%</u>	<u>-20,1%</u>
2.1.1.	OCTG	2,9	5,5%	66,9	11,4%	-44,3%	-53,9%
2.1.2.	Linepipe	22,6	42,8%	243,6	41,6%	-36,9%	2,7%
2.1.3.	Mechanical	1,4	2,7%	14,6	2,5%	0,6%	-40,4%
2.2.	Welded	<u>7,3</u>	<u>13,9%</u>	<u>68,4</u>	<u>11,7%</u>	<u>10,2%</u>	<u>-30,2%</u>
3.	<b>Railway products</b>	<b>15,4</b>	<b>29,1%</b>	<b>162,8</b>	<b>27,8%</b>	<b>-4,5%</b>	<b>-2,4%</b>
3.1.	Wheels <sup>1</sup>	13,1	24,8%	141,4	24,1%	-7,9%	-5,3%
3.2.	Wheelsets <sup>1</sup>	2,0	3,7%	16,4	2,8%	70,3%	32,6%
3.3.	Axles <sup>1</sup>	0,3	0,6%	3,2	0,5%	-25,2%	-10,9%
3.4.	Tyres	0,0	0,0%	1,8	0,3%	-100,0%	17,4%
<b>TOTAL</b>		<b>53,0</b>	<b>100,0%</b>	<b>585,8</b>	<b>100,0%</b>	<b>-21,3%</b>	<b>-15,5%</b>
<p>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</p>							



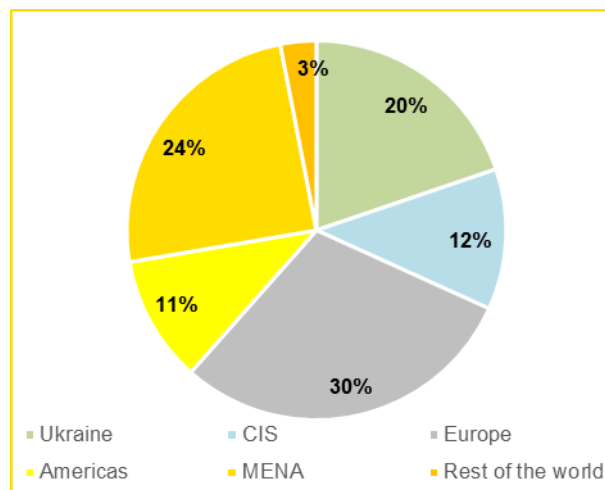
**INTERPIPE**

## Regional Sales Data. Pipe products

October 2020. Pipes sales by region, th.tons

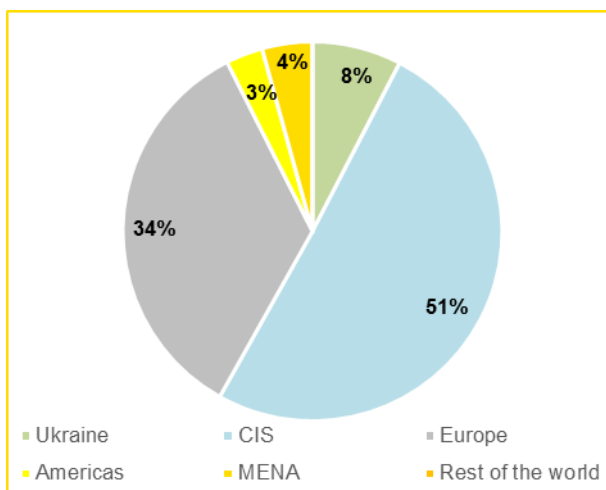


10 months 2020. Pipes sales by region, th.tons

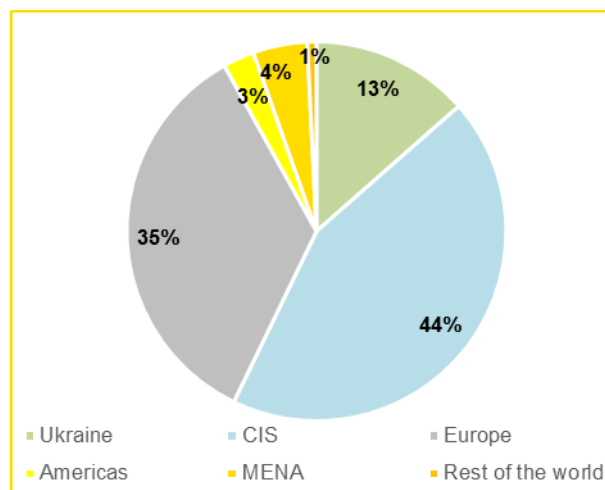


## Regional Sales Data. Railway products

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



10 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.