

PRESS RELEASE

December 17, 2020



Interpipe releases report on operations for November 2020

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

Operational Highlights

In November 2020, sales dynamics for all products of the Company remained quite volatile given still unclear pace of recovery of key markets and economies

In November 2020, the **overall pipe product sales** declined by 6.8% q-o-q rolling back approximately to the July level. On the y-o-y basis sales for the 11 months 2020 vs the 10 months 2020 remained flat – minus 21.7% y-o-y vs 22.0% y-o-y

OCTG sales spiked by 142.4% m-o-m but remained 52.2% y-o-y lower for the period of January-November 2020. The main drivers of such strong rebound in November comparing to the drop last month were:

- stabilized deliveries to the MENA region under long-term contracts
- drilling activity recovery and larger consumption by domestic oil & gas companies

Normalization of **linepipe sales** continued in November after the spike in September (minus 29.1% m-o-m vs October) due to softening of demand across all key markets:

- consumption in America and Europe declined due to rising number of COVID-19 cases and stricter lockdown measures
- sales to the MENA were also slightly lower m-o-m given specific delivery schedules to key customers

At the same time, **mechanical pipe sales** hiked by 25.3% m-o-m amid a strengthened demand for boiler pipes in Ukraine and higher volumes of cold-drawn shipped to the European market

Welded pipe sales dropped by 3.1% m-o-m. Appreciation of HRC prices by 118 USD per ton (FOB Black Sea) since the end of October triggered a revision of end prices up which was not fully accepted by the domestic and CIS domestic. But this loss in volumes was off-set by higher sales to European customers that were suffering HRC shortage and rocketing prices

Sales volumes of railway products considerably decreased by 21.1% m-o-m primarily due to capital maintenance of the wheel rolling shop lasted for 21 days. Production in hot, rolling and forging part was suspended and finishing operations continued using in advance forged wheels. The rolling & forging line was successful put back in operation on the 17th of November. Production and sales volumes in December are expected to get back the October level.



INTERPIPE

Report On Operations

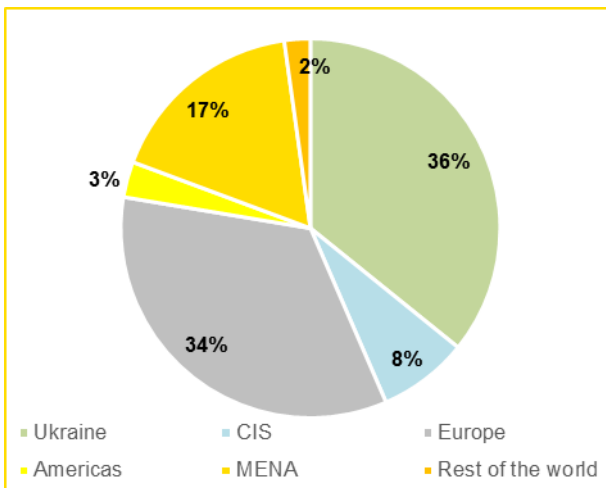
#	Product	November 2020		11 months 2020		Change	
		Thousand tons	% of total ²	Thousand tons	% of total ²	% m-o-m	11 months 2020, % y-o-y
Production							
1.	Steel	55,6	n/a	696,9	n/a	-11,6%	-12,6%
2.	Pipes, o/w:	37,5	74,3%	425,6	71,0%	-2,0%	-23,3%
2.1.	Seamless, o/w:	30,4	60,2%	350,1	58,4%	-0,4%	-22,6%
2.1.1.	OCTG	7,0	13,8%	67,1	11,2%	66,3%	-60,4%
2.1.2.	Linepipe	21,4	42,3%	265,9	44,4%	-13,8%	4,1%
2.1.3.	Mechanical	2,0	4,0%	17,1	2,9%	35,8%	-37,6%
2.2.	Welded	7,2	14,2%	75,5	12,6%	-8,5%	-26,3%
3.	Railway products	13,0	25,7%	174,0	29,0%	-15,6%	-7,5%
3.1.	Wheels ¹	11,1	21,9%	152,3	25,4%	-18,4%	-9,4%
3.2.	Wheelsets ¹	1,5	2,9%	16,2	2,7%	-4,6%	10,3%
3.3.	Axles ¹	0,3	0,6%	3,7	0,6%	12,1%	9,9%
3.4.	Tyres	0,1	0,3%	1,9	0,3%	100,0%	-4,6%
Sales							
1.	Steel³	0,8	1,9%	30,3	4,8%	-73,2%	31,4%
2.	Pipes, o/w:	32,1	70,8%	425,8	67,4%	-6,8%	-21,7%
2.1.	Seamless, o/w:	25,0	55,2%	350,3	55,5%	-7,7%	-20,3%
2.1.1.	OCTG	7,1	15,6%	74,0	11,7%	142,4%	-52,2%
2.1.2.	Linepipe	16,1	35,5%	259,9	41,1%	-29,1%	1,0%
2.1.3.	Mechanical	1,8	4,0%	16,4	2,6%	25,3%	-39,7%
2.2.	Welded	7,1	15,6%	75,5	12,0%	-3,1%	-27,7%
3.	Railway products	12,4	27,3%	175,5	27,8%	-21,1%	-4,6%
3.1.	Wheels ¹	10,0	21,9%	151,5	24,0%	-24,7%	-7,8%
3.2.	Wheelsets ¹	1,8	3,9%	18,2	2,9%	-11,7%	31,3%
3.3.	Axles ¹	0,3	0,7%	3,5	0,6%	2,2%	-8,7%
3.4.	Tyres	0,4	0,8%	2,3	0,4%	98,1%	14,8%
TOTAL		45,4	100,0%	631,6	100,0%	-14,9%	-15,9%
<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>							



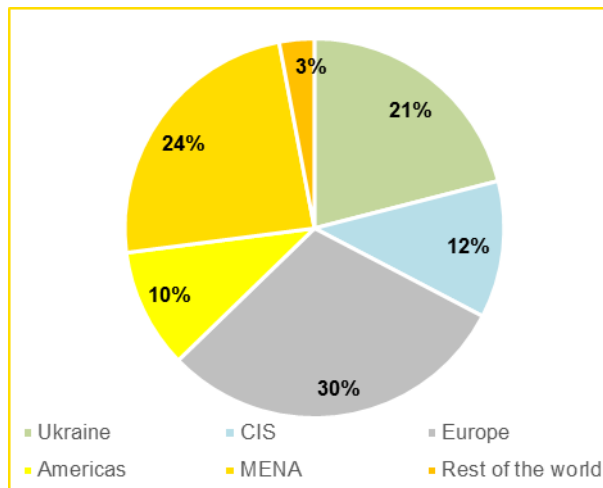
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Regional Sales Data. Pipe products

November 2020. Pipes sales by region, th.tons

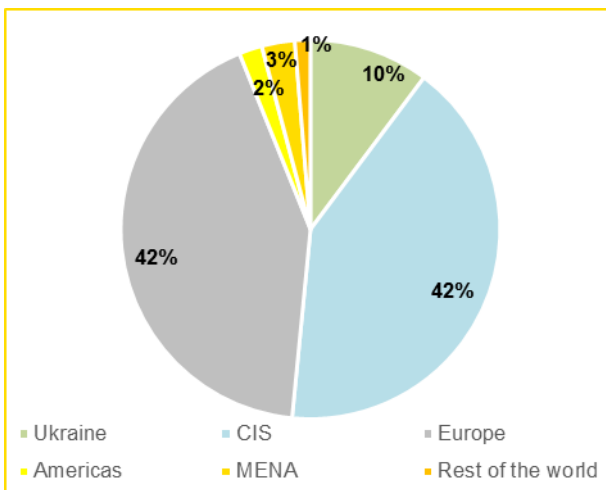


11 months 2020. Pipes sales by region, th.tons

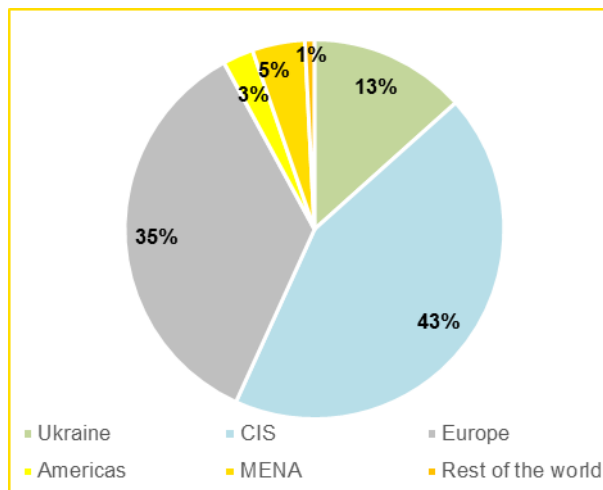


Regional Sales Data. Railway products

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



11 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.