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PRESS RELEASE

TMK Announces 2Q 2019 Operational Results

The following contains forward-looking statements concerning future events. These forward-looking statements are based on current information and assumptions of TMK management concerning known and unknown risks and uncertainties.

2Q 2019 shipments data is preliminary and may be adjusted.

TMK, one of the world's leading producers of tubular products for the oil and gas industry, announces its operational results for the second quarter and first half of 2019.

2Q and 1H 2019 Summary Results

(thousand tonnes)

Product	2Q 2019	1Q 2019	Change	1H 2019	1H 2018	Change
Seamless pipe	680	672	1%	1,352	1,393	(3)%
Welded pipe	343	294	17%	637	662	(4)%
Total	1,023	965	6%	1,989	2,056	(3)%
Including: OCTG	467	481	(3)%	948	952	0%

2Q 2019 vs. 1Q 2019

- Total pipe shipments increased by 6% quarter-on-quarter, mainly due to higher sales of welded pipe shipments (up 17% quarter-on-quarter), driven by an increased shipments of large diameter pipe at the Russian division (up 54% quarter-on-quarter), as well as due to higher industrial pipe shipments due to the construction season in Russia.

This fully compensated for a lower quarter-on-quarter pipe shipments at the American division due to a continued North American market slowdown, impacted by oil price volatility, a continued decrease in rig count and high pipe inventories.

- OCTG shipments decreased by 3% quarter-on-quarter, mainly due to lower shipment volumes at the American division, while at the Russian division OCTG shipments remained stable, supported by OCTG consumption with a higher demand for high tech products.

1H 2019 vs. 1H 2018

- Total pipe shipments declined by 3% year-on-year, to 1,989 thousand tonnes. This was due to lower shipments of both seamless and welded pipe (down 3% and 4% year-on-year, respectively), resulting mainly from a decrease in shipments at the American division due to a continued market slowdown in the North American market.

This was partially offset by increased total pipe shipments at the Russian division, driven by higher shipments of large diameter pipe (up 48% year-on-year) and OCTG pipe.

- OCTG shipments remained flat year-on-year at 948 thousand tonnes. OCTG shipments at the Russian division grew 9% year-on-year due to an increasing complexity of hydrocarbon production projects in Russia and a higher share of horizontal drilling.



- Total shipments of premium-threaded connections increased by 4% year-on-year, to 201 thousand tonnes, while shipments at the Russian division increased 17% year-on-year.

Igor Korytko, CEO of TMK, said:

“In 2Q 2019 total pipe shipments increased 6% compared to the previous quarter, mainly driven by robust shipments at the Russian division. 1H 2019 performance was restrained by continued softness in the North American market. However, we achieved strong growth in Russia, where shipments of OCTG, our core product segment, grew 9% year-on-year due to high demand from the domestic oil and gas companies.

TMK remains focused on driving volumes of its expanding range of high-tech, high value-added products, including our unique premium connections. Through our market-leading R&D capabilities, we are continuing to develop innovative pipe solutions to support our major oil & gas clients on increasingly complex exploration and production projects.

In June 2019, TMK and NOVATEK signed a strategic partnership and cooperation agreement for supplying TMK’s premium casing and tubing pipe until the end of 2023. We already supply tubular products with premium-threaded connections to many of NOVATEK’s projects and believe that this agreement will reinforce our partnership.”

2019 Outlook

In Russia, TMK expects pipe consumption by domestic oil and gas companies to remain strong in 2019. The increased complexity of hydrocarbon production projects in Russia is expected to result in higher demand for high tech products.

In North America, the market situation is most likely to remain challenging with oil and steel price volatility, a slowdown in drilling activity and operators focusing on capital discipline, resulting in lower pipe demand and pressure on selling prices.

In Europe, TMK expects to see sustained demand for seamless industrial pipe in 2019 with the sales mix for the European Division comprising a higher share of high value-added products.

In 2019, TMK expects to increase pipe shipments at the Russian and European divisions year-on-year, providing the basis for a strong financial performance throughout 2019.

For further information regarding TMK, please, visit www.tmk-group.com or download [the YourTube iPad application](#) from the App Store.

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TMK (www.tmk-group.com)

TMK (www.tmk-group.com) is a leading global manufacturer and supplier of steel pipes for oil and gas industry, operating over 20 production sites in the United States, Russia, Canada, Romania and Kazakhstan with two R&D centers in Russia and the U.S.. The largest share of TMK's sales belongs to high margin oil country tubular goods (OCTG), shipped to customers in over 80 countries. TMK delivers its products along with an extensive package of services in heat treating, protective coating, premium connections threading, warehousing and pipe repairing. TMK's securities are listed on the London Stock Exchange and on the Moscow Exchange MICEX-RTS.