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PRESS RELEASE

TMK to build a SAP-enabled integrated planning system

TMK has launched a project to transform its sales and operations planning using the cloud-based SAP Integrated Business Planning (IBP) solution rolled out in a Russia-based data center. The new solution will help TMK automate the processes of developing and aligning sales, production, procurement and transportation plans up to 18 months in advance. The project will be implemented by the SAP Digital Business Services team.

The introduction of an integrated planning system will ensure TMK's flexibility in responding to a rapidly changing market environment through continuous planning and timely input of up-to-date data on the market, orders and existing constraints.

The solution comprises several modules, including for demand planning, scenario planning, automated sales and operations planning, and multi-criteria optimization, as well as user communication and process control.

The project will automate monthly sales forecasting by product group and market, as well as end-to-end supply chain planning across the Holding by incorporating data on inventories, raw material supplies, production capacity, and intra-plant logistics.

"The extended planning horizon and more frequent rescheduling will enable TMK to assess potential risks early on and identify additional growth opportunities. In addition, we will be able to respond quickly to unexpected or unpredictable events, as well as to build and update a portfolio of the highest-margin products we market," said Vyacheslav Popkov, TMK's First Deputy CEO – Chief Engineer.

"SAP IBP ensures efficient planning through advanced large data volume storage and processing, as well as a user-friendly and functional interface. Finally, the system enables businesses to use advanced machine learning methods and algorithms to explore alternatives in integrated business planning going forward. We hope that this project will become a major step in building TMK's digital twin and allow the company to strengthen its market position even further," commented Alexey Leontovich, Deputy CEO of SAP CIS.

TMK (www.tmk-group.com) is a global manufacturer and supplier of steel pipe for the oil and gas industry, one of the world's three leading pipe producers. It operates production sites in Russia, Romania and Kazakhstan, and has two R&D centers in Russia. High margin oil country tubular goods (OCTG) account for the largest share of TMK's sales. The Company has expertise in shipping its products to customers in over 80 countries and offers a wide range of services in heat treating, protective coating, premium connections threading, warehousing and pipe repairing. TMK's shares are listed on the London Stock Exchange (in the form of GDRs) and on the Moscow Exchange.

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