



July 22, 2020

PRESS RELEASE

TMK Announces 2Q 2020 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.

TMK, one of the world's leading producers of tubular products for the oil and gas industry (the "Group"), announces its operational results for the second quarter and first half of 2020.

The Group's results include the operational results of the Russian and European divisions represented by production assets located in Russia, Romania and Kazakhstan.

For comparison purposes, the Group's operational results are presented net of the operational results of the American division (on January 2, 2020, TMK closed the sale of 100% of IPSCO Tubulars Inc.).

2Q and 1H 2020 Summary Results

(thousand tonnes)

Product	2Q 2020	1Q 2020	Change	1H 2020	1H 2019	Change
Seamless pipe	533	505	6%	1,038	1,125	(8)%
Welded pipe	133	222	(40)%	355	481	(26)%
Total	666	727	(8)%	1,393	1,605	(13)%

2Q 2020 vs. 1Q 2020

- Total pipe shipments declined by 8% quarter-on-quarter, driven by a decrease in welded pipe shipments at the Russian division.
- Seamless pipe shipments increased by 6% quarter-on-quarter, reflecting higher shipments of seamless OCTG pipe (up 8% quarter-on-quarter) at the Russian division and growth in shipments of seamless industrial pipe at both the Russian and European divisions.
- Welded pipe shipments were down 40% quarter-on-quarter, due to lower shipments across all welded pipe segments at the Russian division, with large diameter pipe consumption contracting by 42% quarter-on-quarter. Welded pipe shipments were negatively impacted by serious pressure on pipe consumption amid the challenging macro environment.

1H 2020 vs. 1H 2019

- Total pipe shipments were down 13% year-on-year, due to a decrease in seamless pipe shipments at both the Russian and European divisions, and lower shipments of welded pipe at the Russian division. The decline in shipments reflects a challenging global macro environment caused by the COVID-19 pandemic and oil price volatility.
- Seamless pipe shipments decreased by 8% year-on-year, mainly due to lower shipments of seamless OCTG pipe at the Russian division (down 8% year-on-year) and a deterioration of demand for seamless industrial pipe at the European division.
- Welded pipe shipments were down 26% year-on-year, reflecting a decrease in shipments across all welded pipe segments at the Russian division.



Igor Korytko, CEO of TMK, said:

“In 2Q 2020, the global macro environment remained challenging and continued to depress demand for our products, which was reflected in a quarter-on-quarter decline in our total shipments. At the same time, we saw some recovery in seamless OCTG pipe shipments at the Russian division, coupled with stable demand for pipes with premium connections, and higher consumption of seamless industrial pipe in Europe comparing to the previous quarter. However, we don’t expect overall pipe consumption to improve significantly in the short term.”

3Q 2020 Outlook

We expect the pipe shipments at the Russian division to remain under pressure in the third quarter, mainly due to continuing market challenges and pre-planned upgrade and maintenance works at the Russian division’s key production facilities.

In Europe, we expect the gradual recovery in industrial pipe consumption to continue going forward.

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

or contact:

TMK IR Department:

Irina Yarotskaya
Tel: +7 (495) 775-7600
IR@tmk-group.com

TMK PR Department:

Fedor Klimkin
Tel: +7 (495) 775-7600
PR@tmk-group.com

International Media Relations:

Andrew Hayes / Emily Dillon
Tel: +44 (0) 20 7796 4133
TMK@hudsonsandler.com

TMK (www.tmk-group.com)

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.