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**PRESS RELEASE**

## **TMK digitizes its system for operational management of production**

TMK has completed diagnostics of its Russian division's facilities in preparation for a project to automate its operational management system, including its production planning and manufacturing execution system (MES).

An integrated solution will be designed and rolled out based on the PSImetals product by German metallurgy software developer PSI under a respective agreement signed between PSI and TMK in February 2020. The solution will include the PSImetals Scheduling, PSImetals Flow and Order Planning, PSImetals Production, Quality, and Logistics modules.

During the project's first phase, TMK will re-engineer and unify operational production management processes across all of its plants. The second phase will see a rollout of the new system at pilot divisions of TMK's Volzhsky Pipe Plant, Seversky Pipe Plant, Sinarsky Pipe Plant and Taganrog Metallurgical Plant. The final phase will see the new system applied across all TMK production facilities.

The project is being implemented as part of TMK's Digital Production program and is aimed at improving the efficiency and quality of the company's system for operational management of production and production processes. It is intended to improve planning and increase productivity, production rhythm and resource efficiency and hence contribute towards TMK's strategic goals.

"A unified planning system covering production, sales and operations will provide TMK with flexibility in a rapidly changing market, continuous planning capabilities as well as rapid access to up-to-date information on the market, orders and existing constraints. Combined with the new MES system, it will provide us with significant advantages to achieve TMK's strategic goals, including expanding its technological leadership in the industry, increasing economic efficiency and maximizing its returns on investments into modernizing production facilities," said Vyacheslav Popkov, TMK's First Deputy CEO – Chief Engineer.

"The benefits of implementing a single integrated software solution at all TMK production sites include harmonization of MES and Planning business processes and user interfaces at all plants, which allows for reduced implementation costs and time and supports centralized maintenance and lower total cost of ownership. We are looking forward to a successful project together," said Harald Henning, PSI Metals Director of the Strategy Committee.

**TMK** ([www.tmk-group.com](http://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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