



Financial Presentation

1Q 2021 IFRS Results

June 8, 2021



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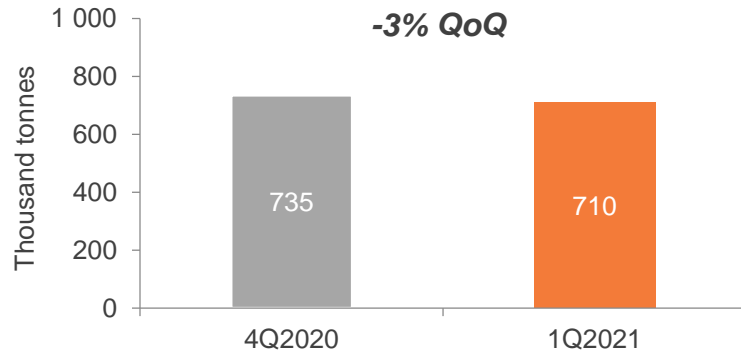
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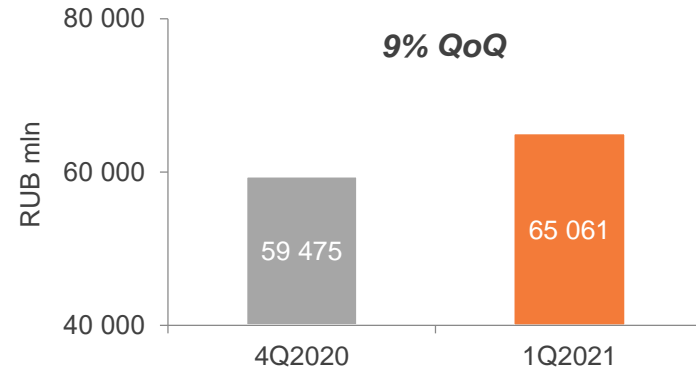


1Q 2021 vs. 4Q 2020 Summary Financial Highlights

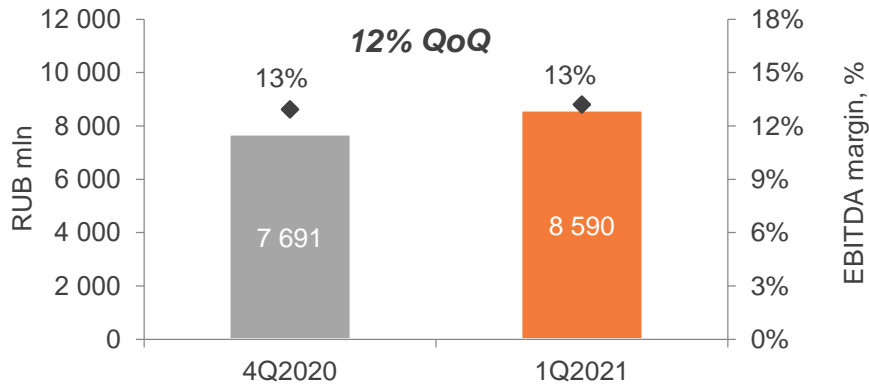
Sales declined QoQ, mainly due to lower sales of large diameter pipe at the Russian division



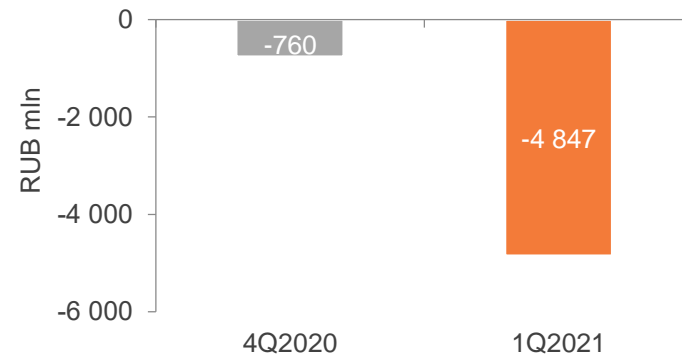
Revenue increased QoQ, due to a gradual recovery in business activity, resuming demand in the key sales markets, as well as the consolidation of the results of ChelPipe Group's enterprises



Adjusted EBITDA was up QoQ, mainly due to the consolidation of the results of ChelPipe Group's enterprises



Net profit decreased QoQ, mainly due to a lower operating profit, higher FX loss and other non-operational expenses

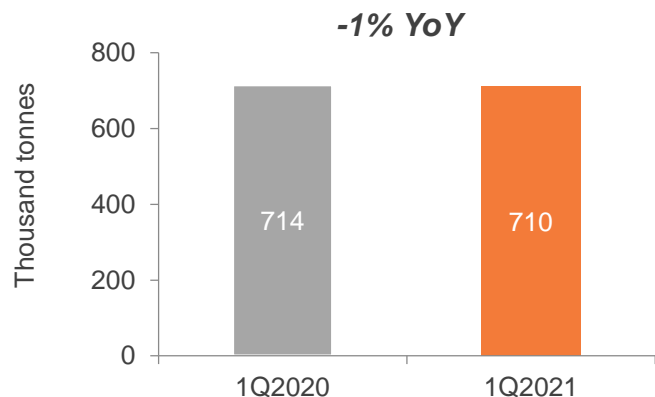


Source: TMK data

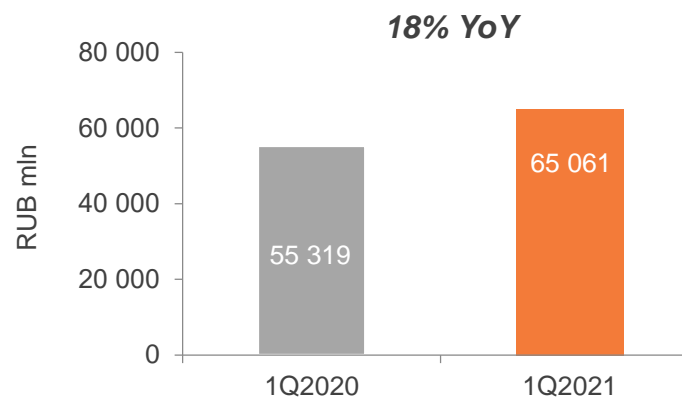


1Q 2021 vs. 1Q 2020 Summary Financial Highlights

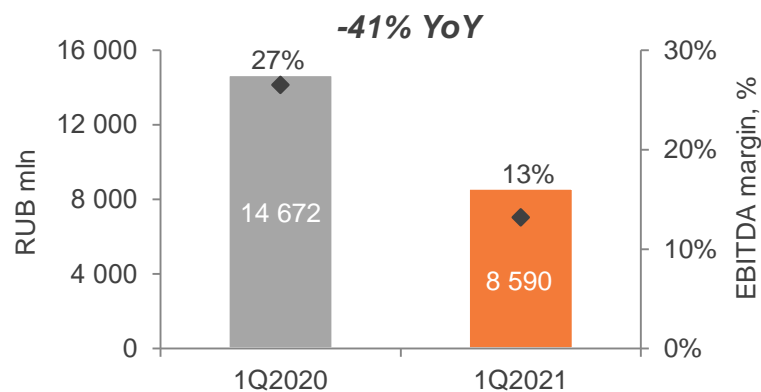
Sales declined marginally YoY, mainly due to lower sales of large diameter pipe, which were compensated by higher sales of industrial pipe



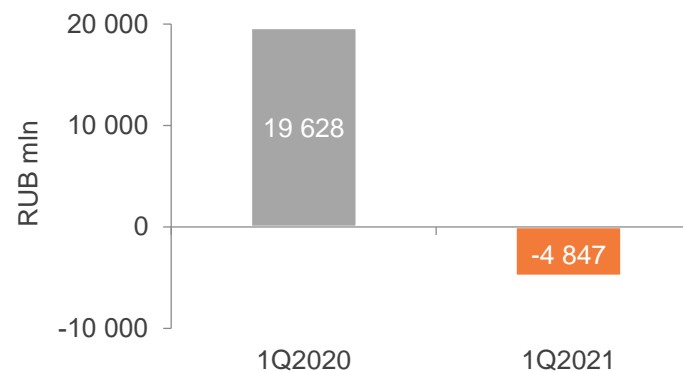
Revenue increased YoY, due to a gradual recovery in business activity, a resuming demand in the key sales markets, as well as the consolidation of results of ChelPipe Group's enterprises



Adjusted EBITDA was down YoY, mainly due to a significant positive foreign exchange gain from operations recorded in 1Q 2020



Net profit decreased YoY, mainly due to a lower operational profit, FX loss, higher other non-operational expenses and absence of gain on disposal of subsidiaries recorded in 1Q 2020

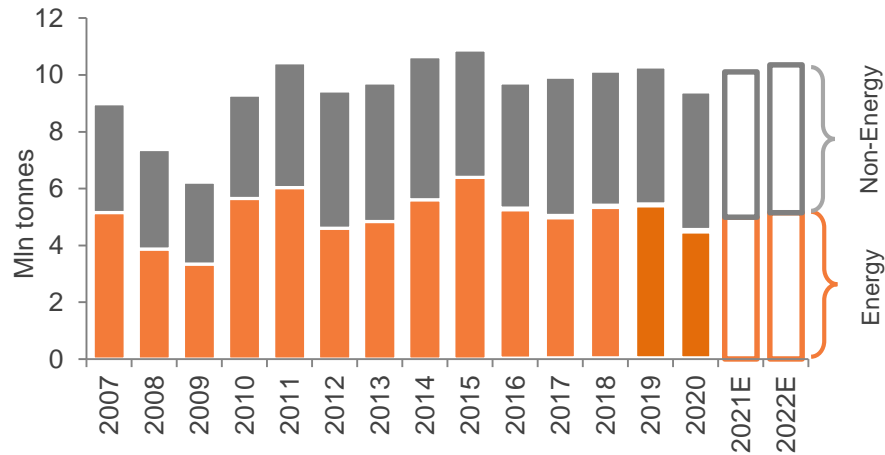


Source: TMK data



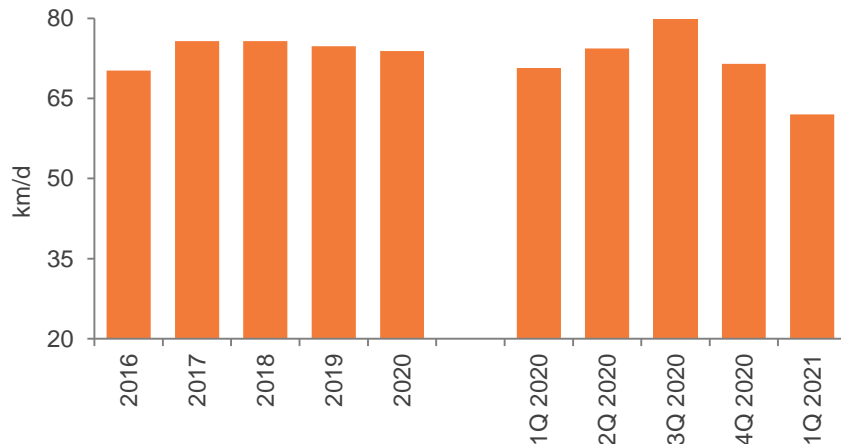
Russian Market Overview

Russian pipe market



Source: TMK estimates

Russian drilling activity remains robust



Source: CDU TEK

Key considerations

1Q 2021 vs. 1Q 2020

- The Russian pipe market declined by 6% year-on-year. The oil demand decline and subsequent OPEC+ oil production cuts resulted in a reduction in drilling volumes, while the share of horizontal drilling remained stable year-on-year at 51%.
- In 1Q 2021, European pipe producers saw an increase in orders, due to the improved global economic situation. Pipe selling prices continued to grow during the first quarter, following the rally in raw material prices.

1Q 2021 vs. 4Q 2020

- In 1Q 2021, the Russian pipe market declined by 13% compared to the previous quarter, mainly due to lower shipments of large diameter pipes. The OCTG pipe market declined slightly, impacted by a slowdown in drilling activity. The share of horizontal drilling increased from 49% in 4Q 2020 to 51% in 1Q 2021.
- In 1Q 2021, the situation in the European pipe market continued to improve, due to a revival of business activity and a set of stimulus measures, announced by several European countries to support the recovery of national economies after the crisis caused by COVID-19 pandemic.

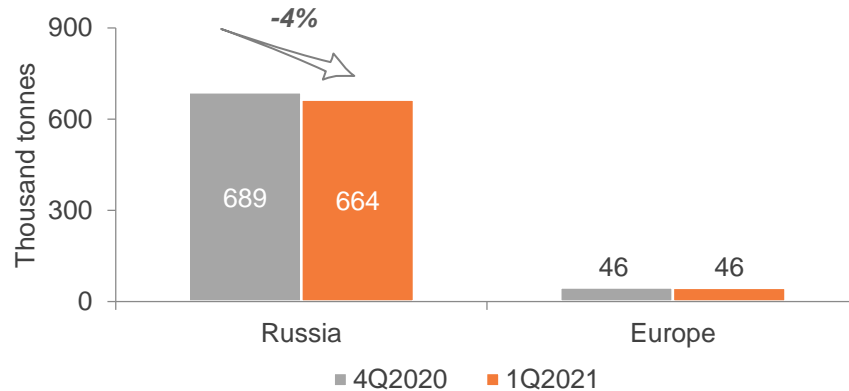


1Q 2021 vs. 4Q 2020 Results



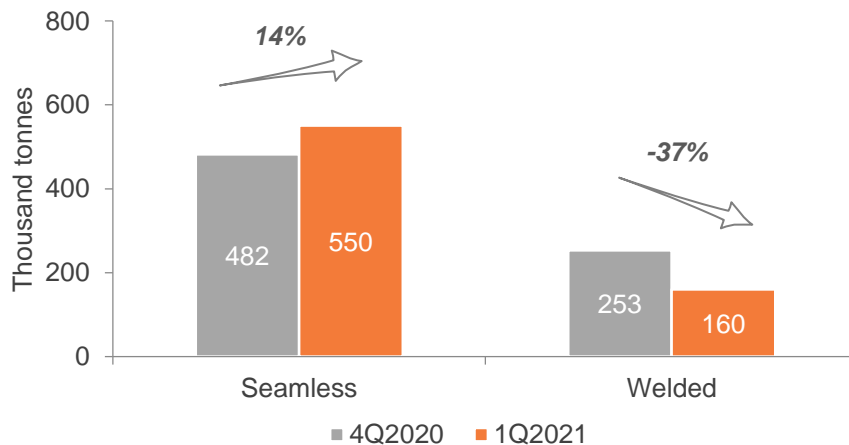
1Q 2021 vs. 4Q 2020 Sales by Division and Product Group

Sales by division



- Russian division sales decreased QoQ, mainly due to the lower sales of large diameter pipe.
- European division sales remained flat QoQ.

Sales by product group



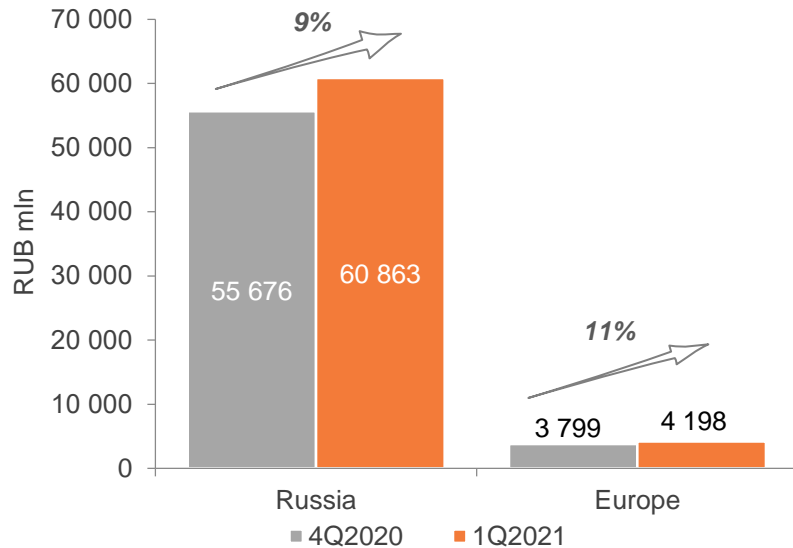
- Seamless pipe sales increased QoQ, mainly due to the higher sales of seamless line and industrial pipe at the Russian division.
- Welded pipe sales declined QoQ, due to the lower sales of large diameter pipe at the Russian division.

Source: TMK data

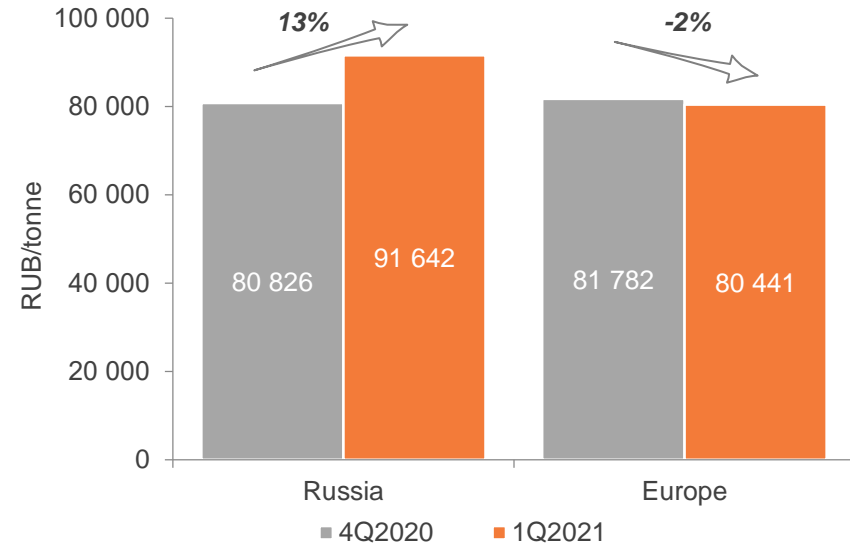


1Q 2021 vs. 4Q 2020 Revenue by Division

Revenue



Revenue per tonne*



* Revenue / tonne for the Russian division is calculated as total revenue divided by pipe sales. Revenue for the European division is calculated as total revenue divided by pipe+billets sales

- Russian division revenue increased QoQ, supported by higher pipe prices, which follow an upward trend in raw material prices, as well as the contribution of ChelPipe's enterprises to the overall result.
- European division revenue increased QoQ, due to stable demand for tubular products from key consumers and higher pipe prices.
- Russian division revenue per tonne increased QoQ, due to higher selling prices.
- European division revenue per tonne decreased QoQ, due to a higher share of steel billets in the product mix.

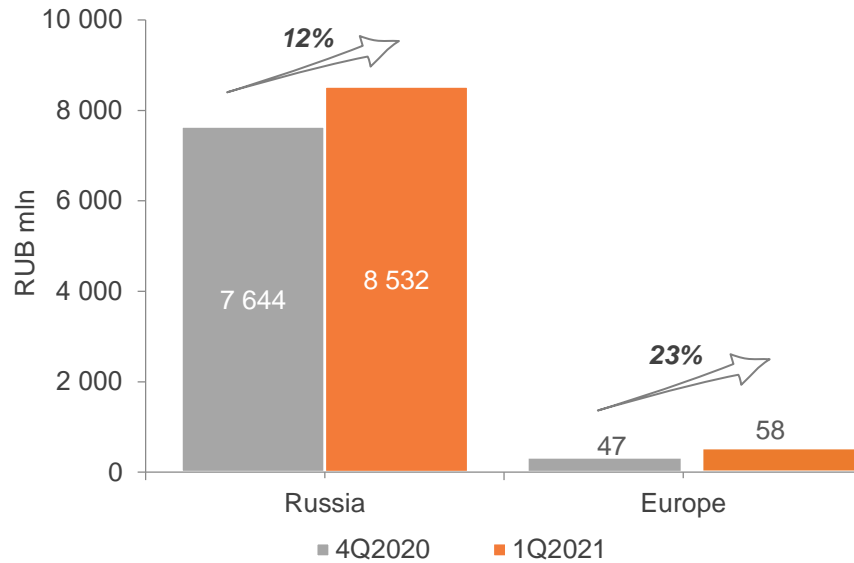
Source: Consolidated IFRS financial statements, TMK data

Note: Certain monetary amounts, percentages and other figures included in this presentation are subject to rounding adjustments. Totals therefore do not always add up to exact arithmetic sums.

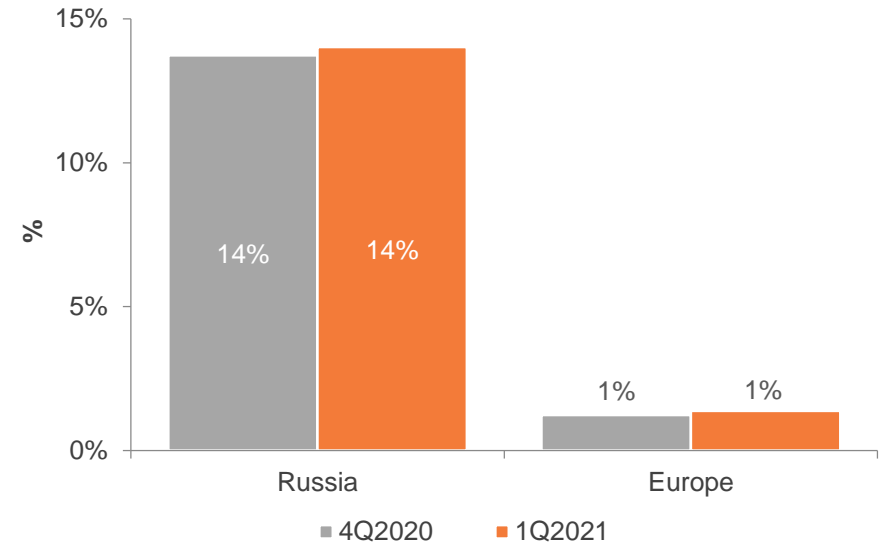


1Q 2021 vs. 4Q 2020 Adjusted EBITDA by Division

Adjusted EBITDA



Adjusted EBITDA margin



- Russian division Adjusted EBITDA increased QoQ, mainly due to the consolidation of results of ChelPipe Group's enterprises.
- European division Adjusted EBITDA increased QoQ, largely due to an increase in pipe selling prices.
- Russian division Adjusted EBITDA margin increased slightly QoQ, from 13.7% in 4Q 2020 to 14.0% in 1Q 2021.
- European division Adjusted EBITDA margin remained flat QoQ.

Source: Consolidated IFRS financial statements, TMK data

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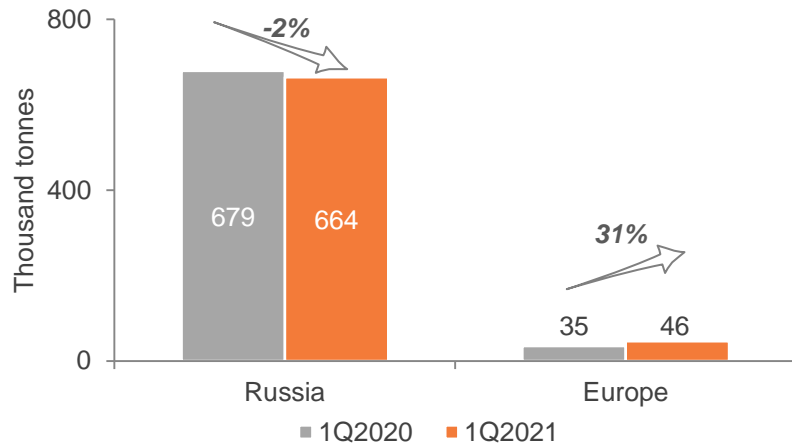


1Q 2021 vs. 1Q 2020 Results



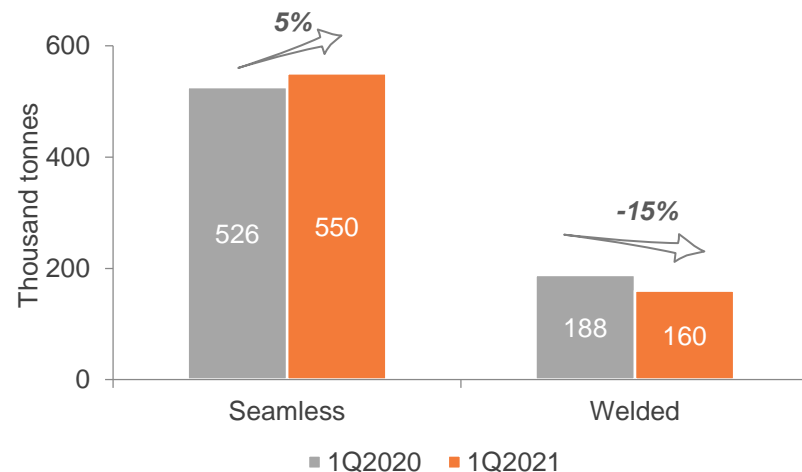
1Q 2021 vs. 1Q 2020 Sales by Division and Product Group

Sales by division



- Russian division sales decreased YoY, mainly due to lower sales of large diameter pipe at the Russian division.
- European division sales increased YoY, supported by a gradual recovery in demand from key pipe-consuming industries, due to an improving global economic environment.

Sales by product group



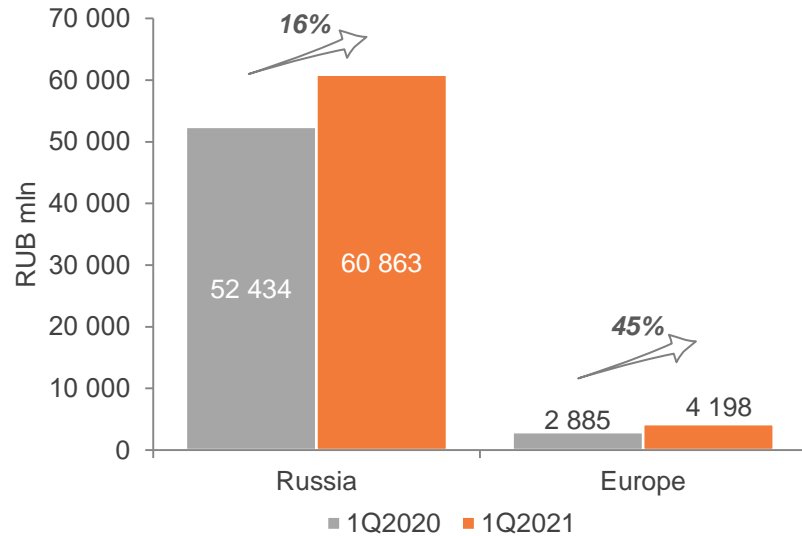
- Seamless pipe volumes increased YoY, due to higher sales of seamless industrial pipe at both the Russian and European divisions.
- Welded pipe sales decreased YoY, due to lower sales of large diameter pipe at the Russian division.

Source: TMK data

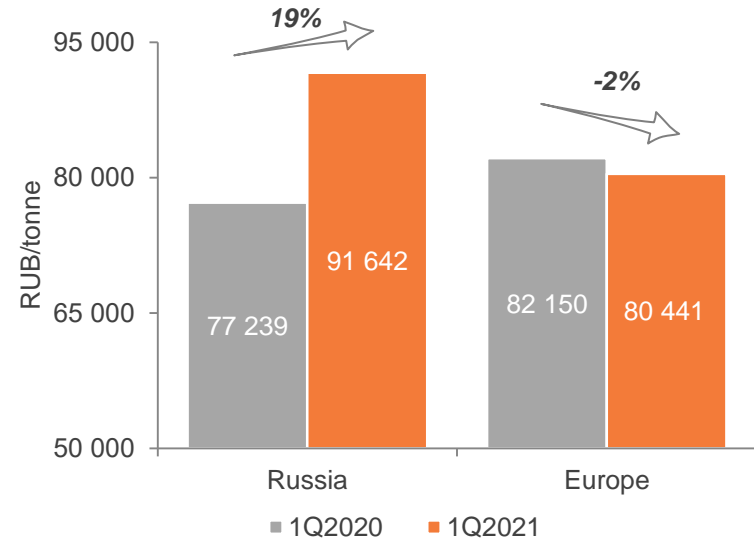


1Q 2021 vs. 1Q 2020 Revenue by Division

Revenue



Revenue per tonne*



- Revenue at the Russian division increased YoY, supported by improved market conditions in the Company's key segments, higher pipe selling prices, following an upward trend in raw material prices, as well as the contribution of ChelPipe Group's enterprises to the overall result.
- Revenue at the European division was up YoY, driven by a rebound in demand from key pipe-consuming industries, due to an improving global economic environment. The positive foreign currency translation effect also contributed to the increase in revenues.

* Revenue per tonne for the Russian division is calculated as total revenue divided by pipe sales. Revenue for the European division is calculated as total revenue divided by pipe+billets sales

- Russian division revenue per tonne increased YoY, due to a more favourable sales mix and higher selling prices.
- European division revenue per tonnes decreased YoY, mainly due to a higher share of steel billets in the product mix.

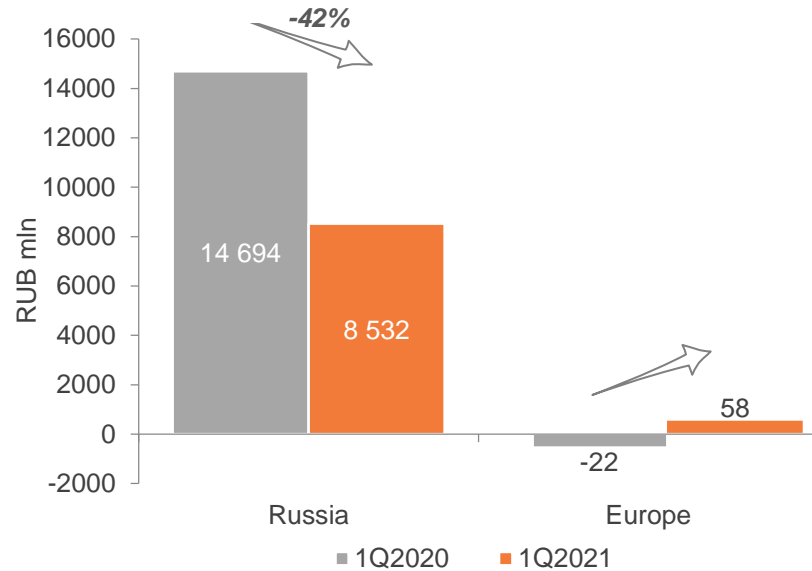
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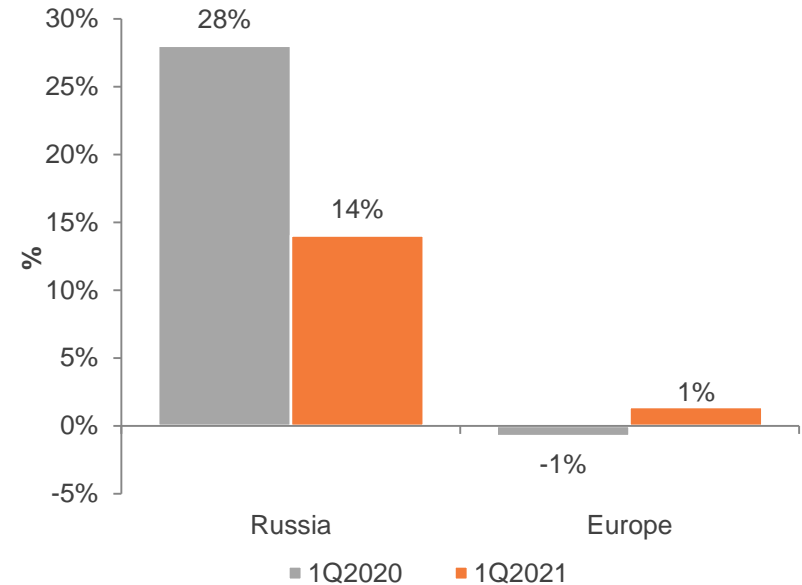
1Q 2021 vs. 1Q 2020 Adjusted EBITDA by Division

Adjusted EBITDA



- Adjusted EBITDA in the Russian division decreased YoY, mainly due to a significant positive foreign exchange gain from operations recorded in 1Q 2020.
- European division Adjusted EBITDA was positive, however remained under pressure from high raw material prices.

Adjusted EBITDA margin



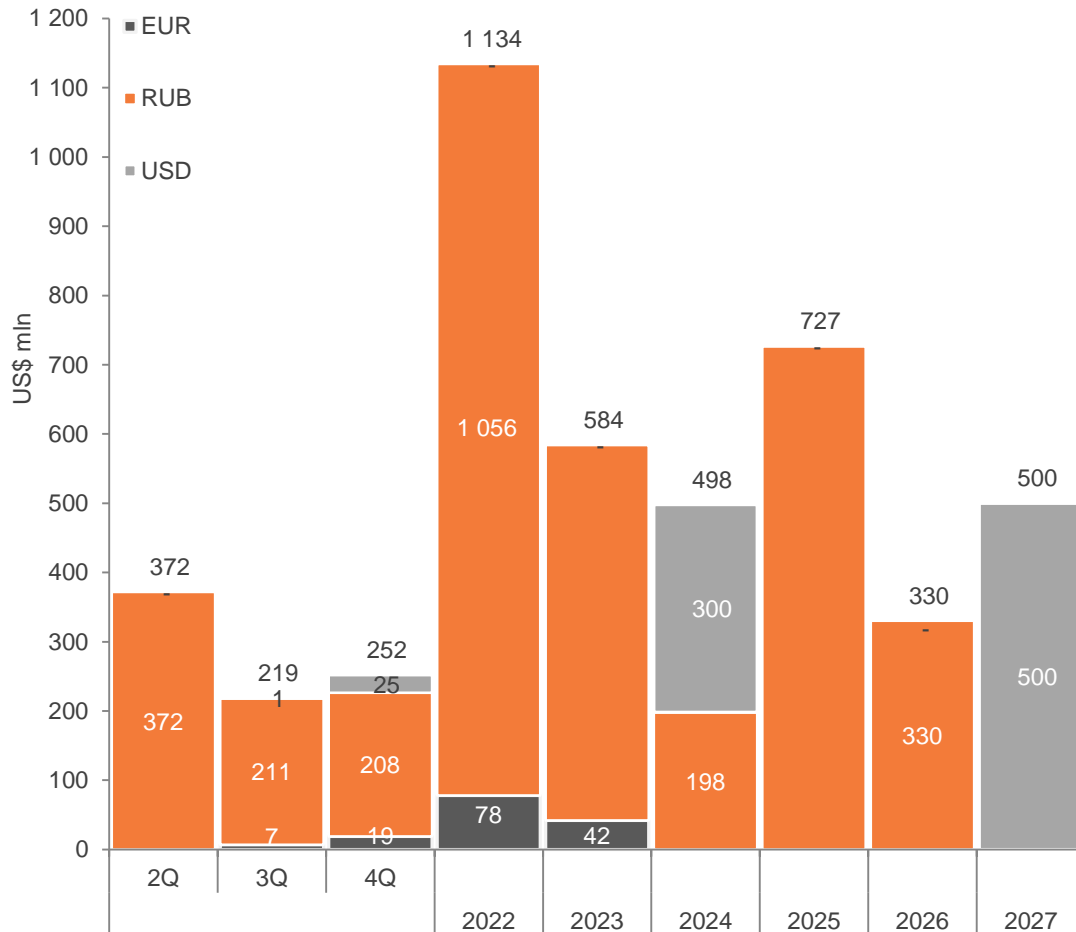
- Russian division Adjusted EBITDA margin was at 14% compared to 28% in 1Q 2020, when a significant positive foreign exchange gain from operations was recorded.
- European division Adjusted EBITDA margin was slightly positive, being under the pressure of high raw material prices.

Source: Consolidated IFRS financial statements, TMK data

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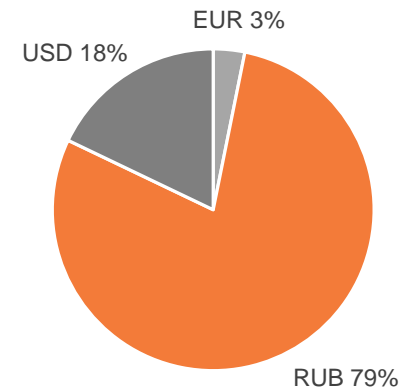


Debt Maturity Profile as at March 31, 2021



- Total debt⁽¹⁾ amounted to RUB 347.5 billion (\$4.6 billion*) as at March 31, 2021.
- Net debt⁽²⁾ amounted to RUB 260.7 billion (\$3.4 billion*) as at March 31, 2021.
- The weighted average nominal interest rate increased by 25 bps compared to the end of 2020, to 6.32% as at the end of 1Q 2021.
- Credit Ratings:
 - ✓ S&P B+, Negative,
 - ✓ Moody's B1, Stable.

Debt currency structure



Source: TMK management accounts (figures based on non-IFRS measures), TMK estimates

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(1) Total debt is calculated as loans and borrowings less interest payable

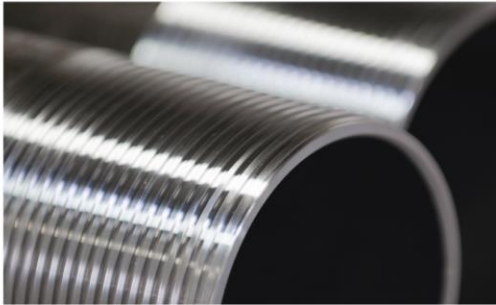
(2) Net debt is calculated as total debt net of cash and short-term financial investments

* At the rate of the Central Bank of Russia as at March 31, 2021 (USD/RUB = 75.7023)



2021 outlook

- The Group expects demand for OCTG pipe from Russian oil and gas companies to remain stable, supported by the continued development of their existing and new projects, as well as the increased complexity of hydrocarbon production in Russia. A recovery in demand in the machinery sector, including power engineering, is expected to support sales in the industrial pipe segment.
- The Group expects consumption of industrial pipe in the European market to recover gradually after the lifting of major COVID-19 lockdowns and stimulated by government measures to support industrial companies in the eurozone countries.



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