



Financial presentation

3Q / 9M 2021 IFRS Results



December 1, 2021



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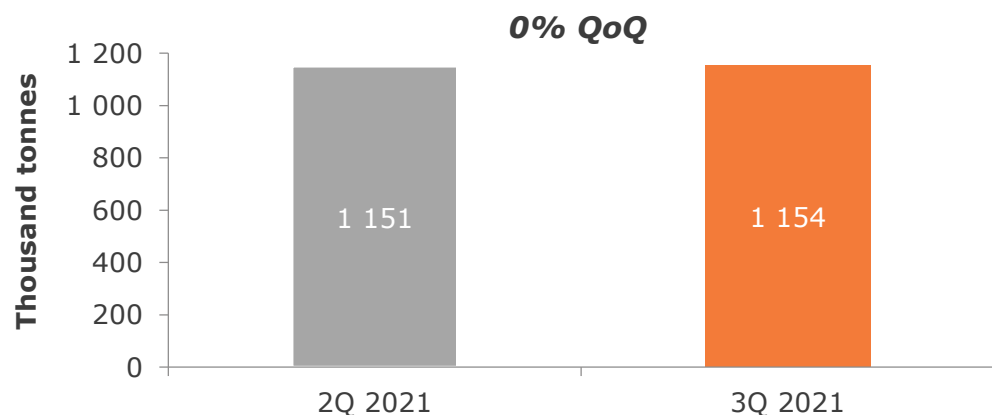
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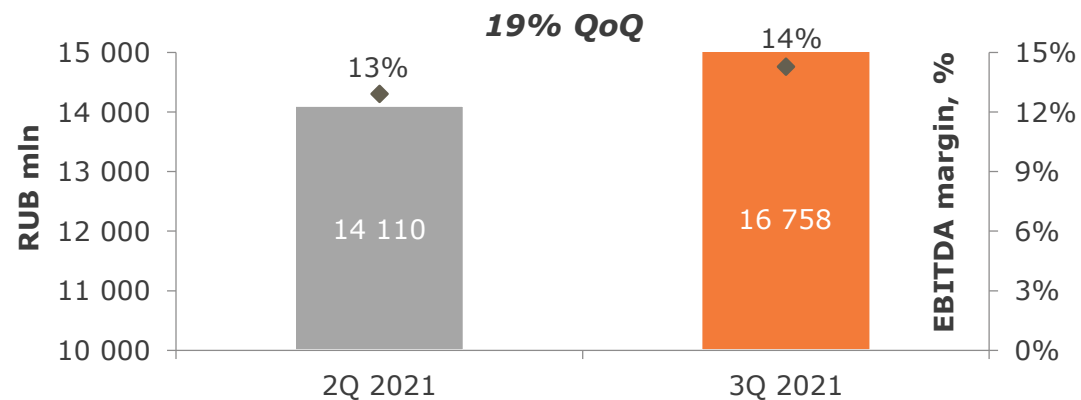
3Q 2021 vs. 2Q 2021 Summary Financial Highlights



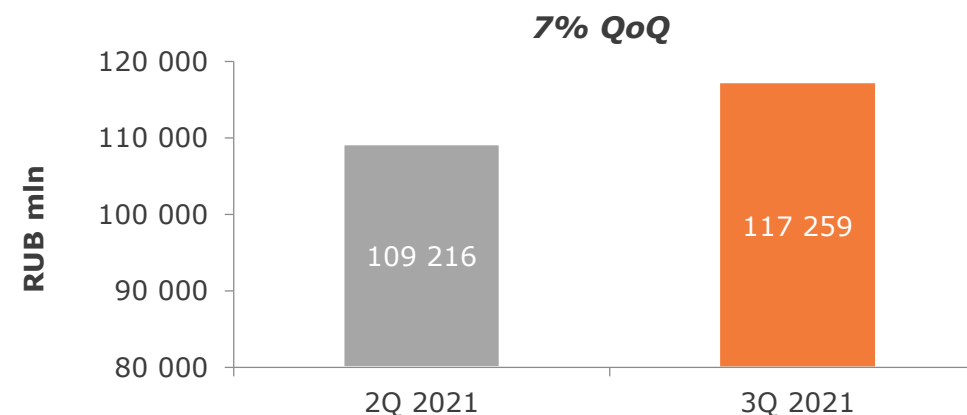
Sales were flat QoQ.



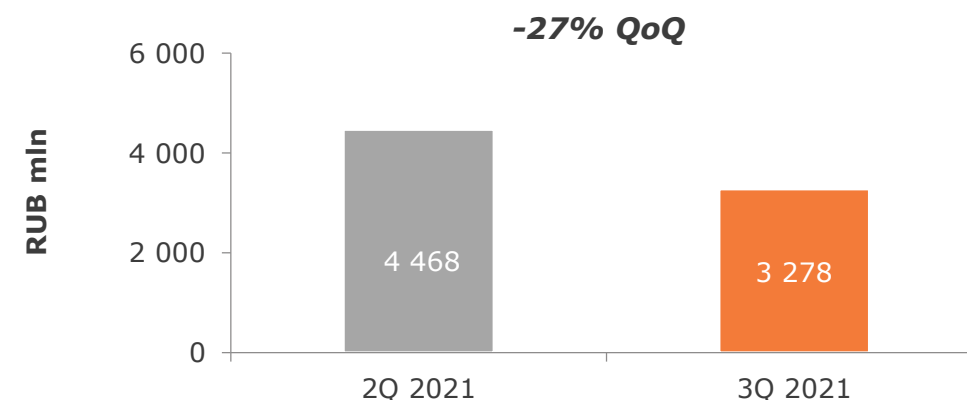
Adjusted EBITDA was up QoQ, mainly due to synergies from the ongoing integration of ChelPipe Group enterprises into the Group's operations.



Revenue increased QoQ, supported by recovering demand in key markets, synergies from the ongoing integration of ChelPipe Group enterprises into the Group's operations.



Net profit was lower QoQ, due to a FX loss recorded in 3Q 2021

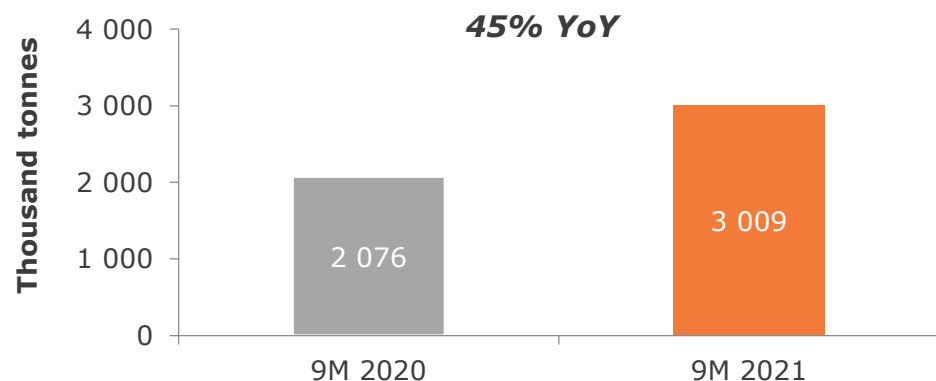


Source: TMK data

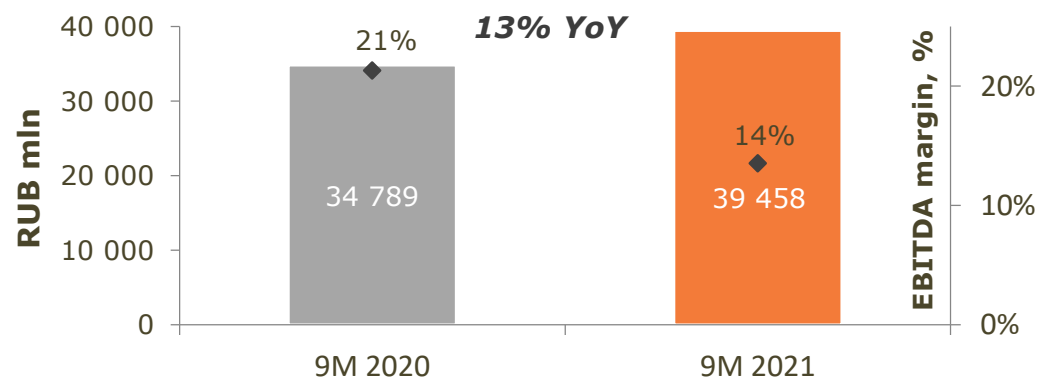
9M 2021 vs. 9M 2020 Summary Financial Highlights



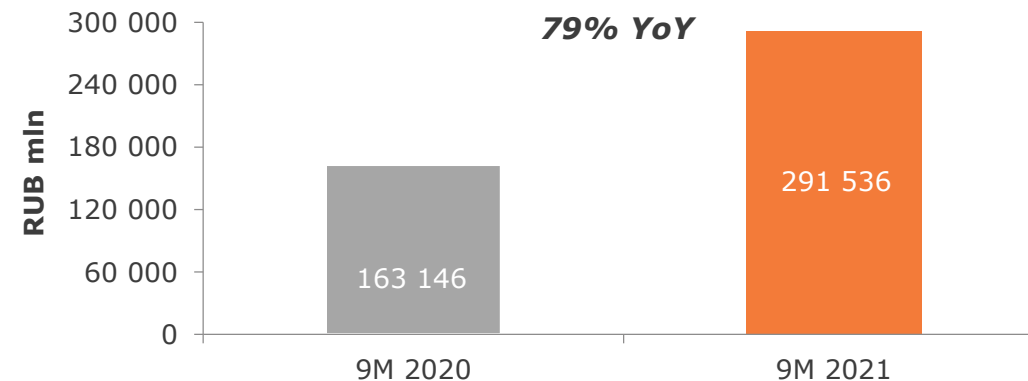
Sales increased YoY, mainly due to higher sales of seamless OCTG, line pipe and industrial pipe, as well as large diameter pipe, and following the consolidation of the results from ChelPipe Group's enterprises.



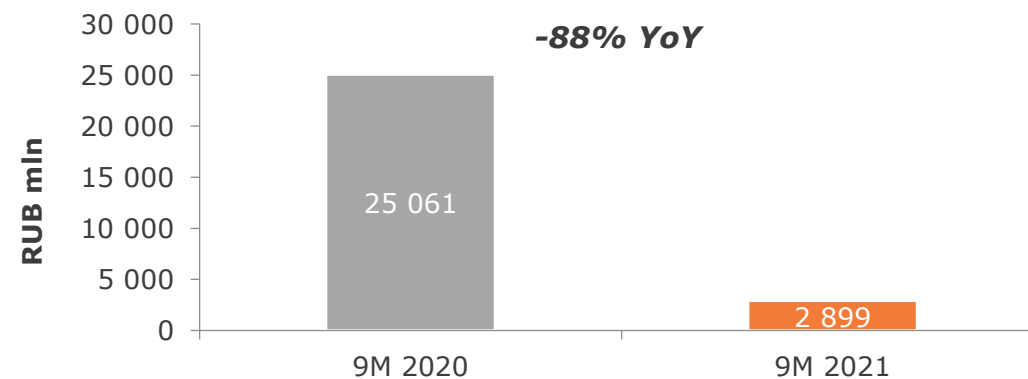
Adjusted EBITDA increased YoY, mainly due to the consolidation of the results from ChelPipe Group's enterprises. A significant positive FX gain from operations was recorded in 9M 2020.



Revenue increased YoY, due to more favourable conditions in TMK's key markets, which drive sales volumes, and following the consolidation of the results from ChelPipe Group's enterprises.



Net profit decreased YoY, mainly due to the gain on disposal of subsidiaries recorded in 9M 2020.

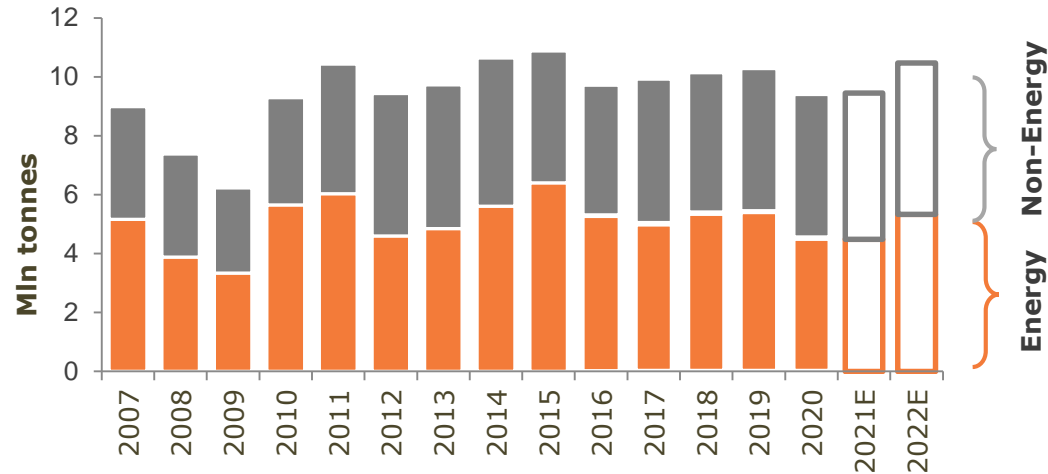


Source: TMK data

Market Overview

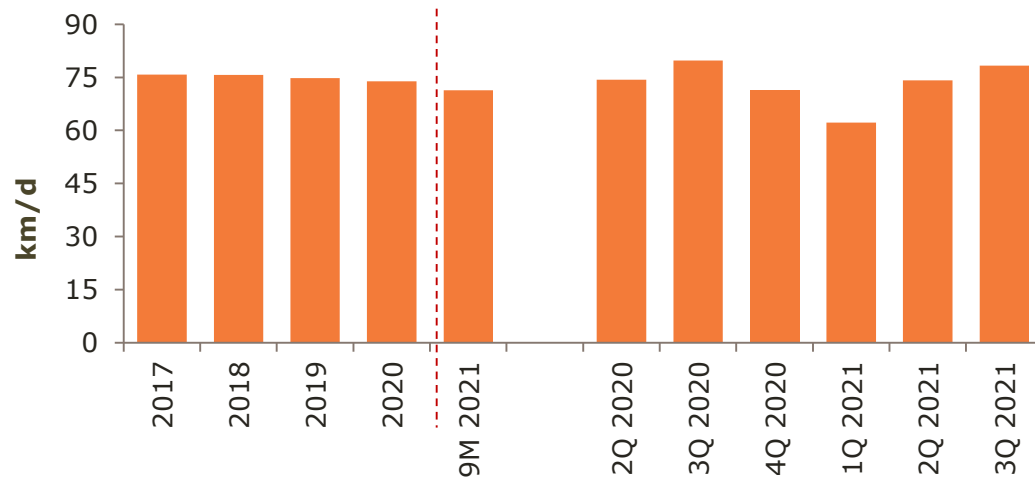


Russian pipe market



Source: TMK estimates

Russian drilling activity remains robust



Source: CDU TEK

Key considerations

3Q 2021 vs. 2Q 2021

- In 3Q 2021, the Russian pipe market declined by 11% QoQ. Increased shipments of large diameter pipe and higher demand for line pipe were offset by lower shipments of industrial pipe, due to the market saturation, and decline of the total OCTG pipe market, following slower purchasing activity by the oil and gas companies, due to the active drilling season, and OPEC oil production cuts.

At the same time, the share of horizontal drilling increased by 5 p.p. to almost 58% in 3Q 2021.

- In 3Q 2021, pipe demand in Europe continued to improve after the lifting of major COVID-19 lockdowns, supported by extensive stimulus measures adopted by European countries, while pipe selling prices were on the rise, mainly driven by elevated raw material prices.

9M 2021 vs. 9M 2020

- The Russian pipe market declined by 5% YoY. Increased shipments of large diameter pipe were offset by a decline in the total OCTG pipe market, as drilling volumes in 9M 2021 were down YoY following OPEC+ oil production cuts, while the share of horizontal drilling increased from 50% as at the end of 9M 2020 to 54% as at the end of 9M 2021.
- In 9M 2021, European pipe producers saw a further increase in orders and higher pipe selling prices, driven by high raw material prices.

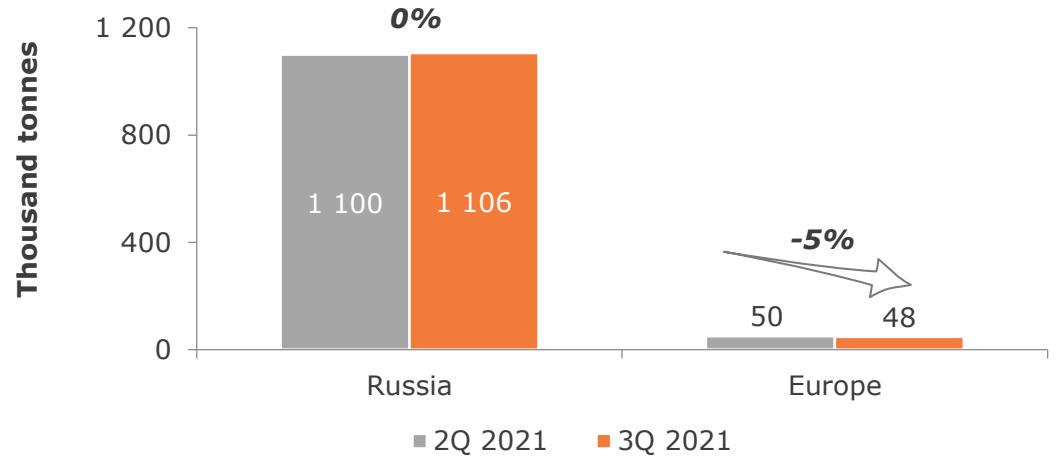


3Q 2021 vs. 2Q 2021 Results

3Q 2021 vs. 2Q 2021 Sales by Division and Product Group

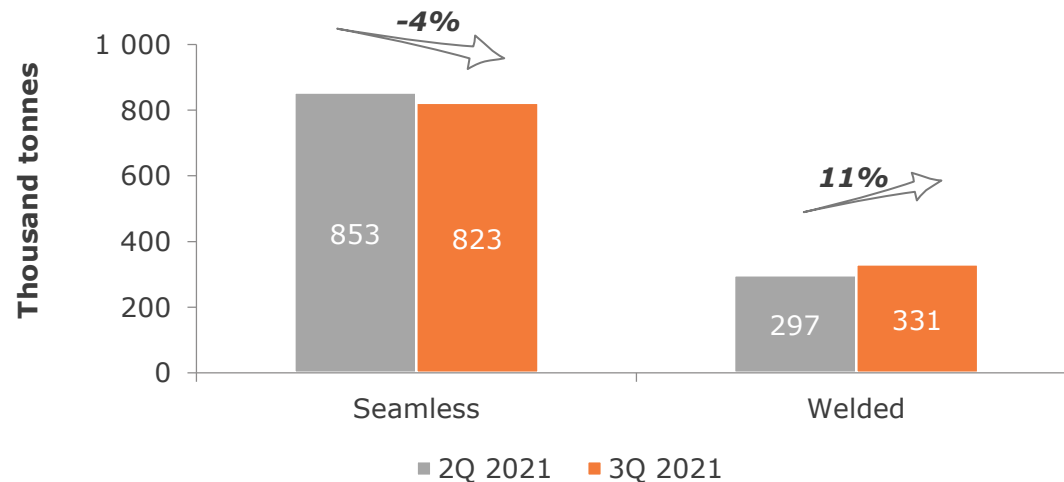


Sales by division



- Russian division sales remained flat QoQ. Lower sales of industrial pipe were offset by higher sales of large diameter and line pipe.
- European division sales slightly declined QoQ, due to lower sales of industrial pipe.

Sales by product group



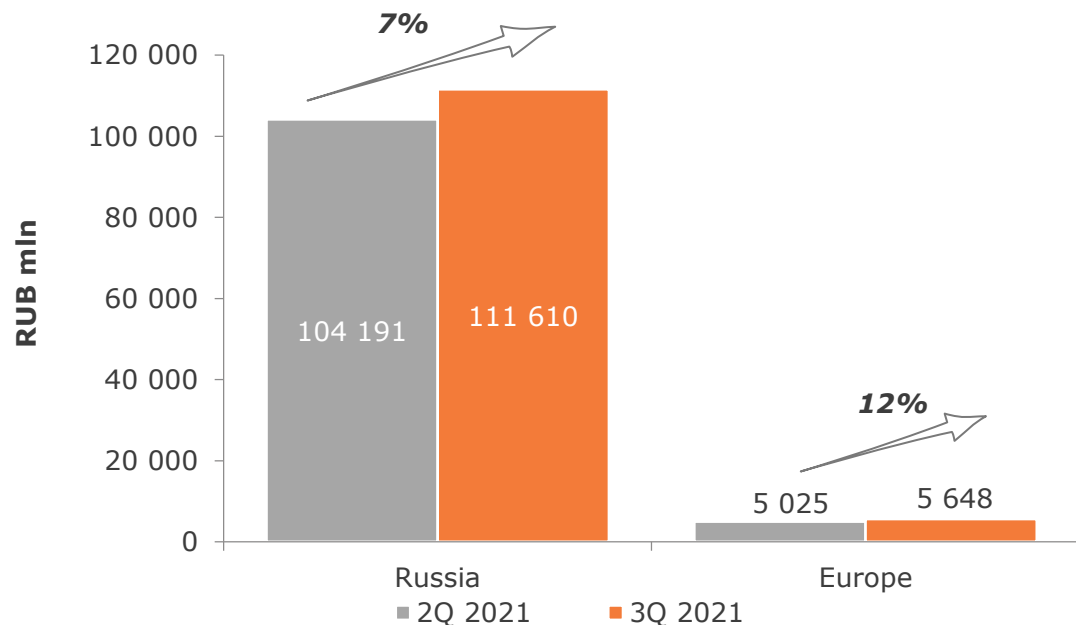
- Seamless pipe sales decreased QoQ, mainly due to lower sales of industrial pipe both in the Russian and European divisions.
- Welded pipe sales increased QoQ, mainly due to higher sales of large diameter pipe at the Russian division.

Source: TMK data

3Q 2021 vs. 2Q 2021 Revenue by Division

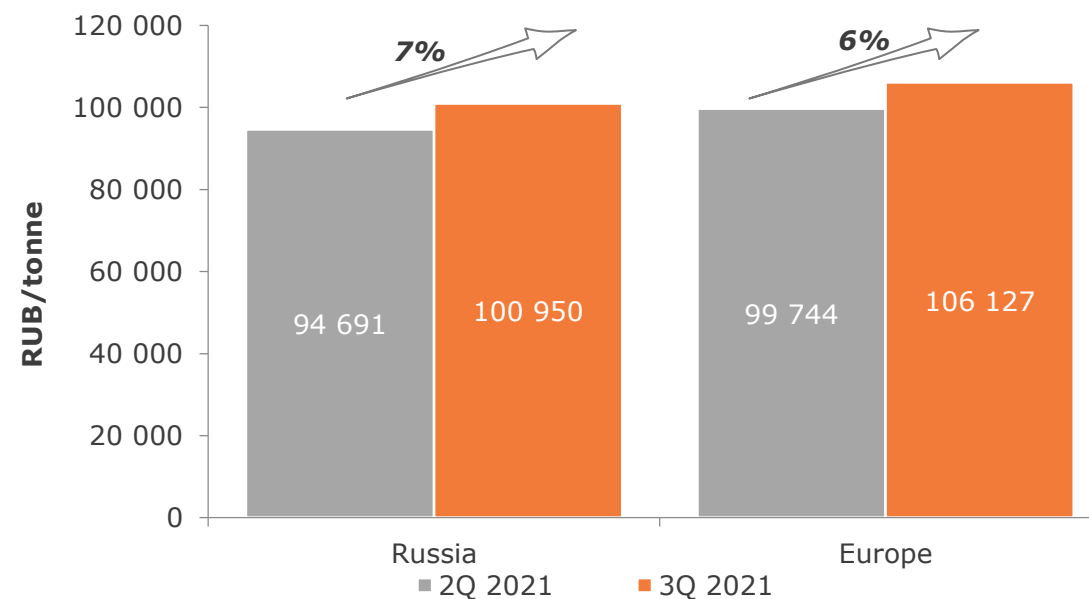


Revenue



- Russian division revenue increased QoQ, supported by the Company's efforts to deliver higher sales of OCTG, increased sales of line and large diameter pipe, as well as higher pipe selling prices, driven by increased raw material prices.
- European division revenue increased QoQ, due to a continued revival of demand for tubular products from key consumers and higher pipe selling prices.

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 per tonne increased QoQ, due to higher pipe selling prices.
- European division revenue per tonne increased QoQ, due to higher pipe selling prices.

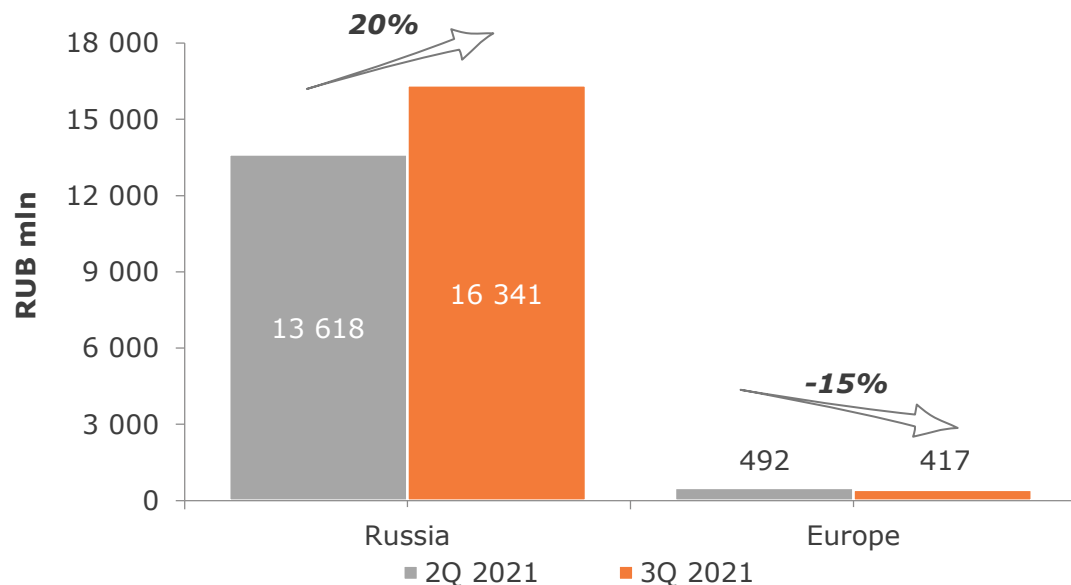
Source: Consolidated IFRS financial statements, TMK data

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.

3Q 2021 vs. 2Q 2021 Adjusted EBITDA by Division

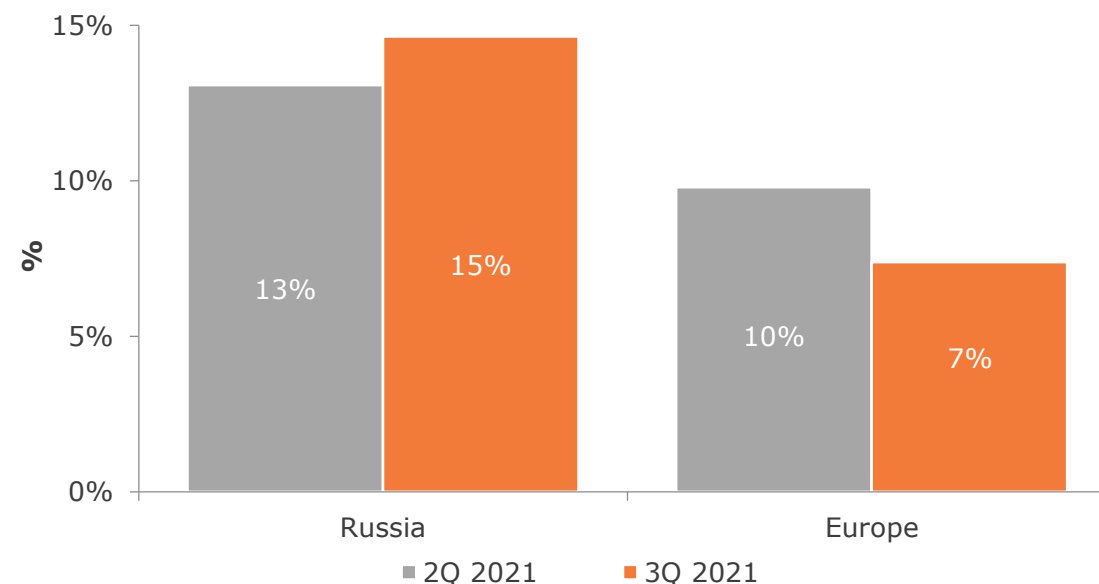


Adjusted EBITDA



- Russian division Adjusted EBITDA increased QoQ, supported by higher pipe selling prices, and a FX gain from operations.
- European division Adjusted EBITDA declined QoQ, due to continuing pressure from elevated raw material prices, which was only partially offset by higher pipe selling prices.

Adjusted EBITDA margin



- Russian division Adjusted EBITDA margin increased QoQ, supported by higher pipe selling prices, and a FX gain from operations.
- European division Adjusted EBITDA margin decreased QoQ, due to a pressure from elevated raw material prices.

Source: Consolidated IFRS financial statements, TMK data

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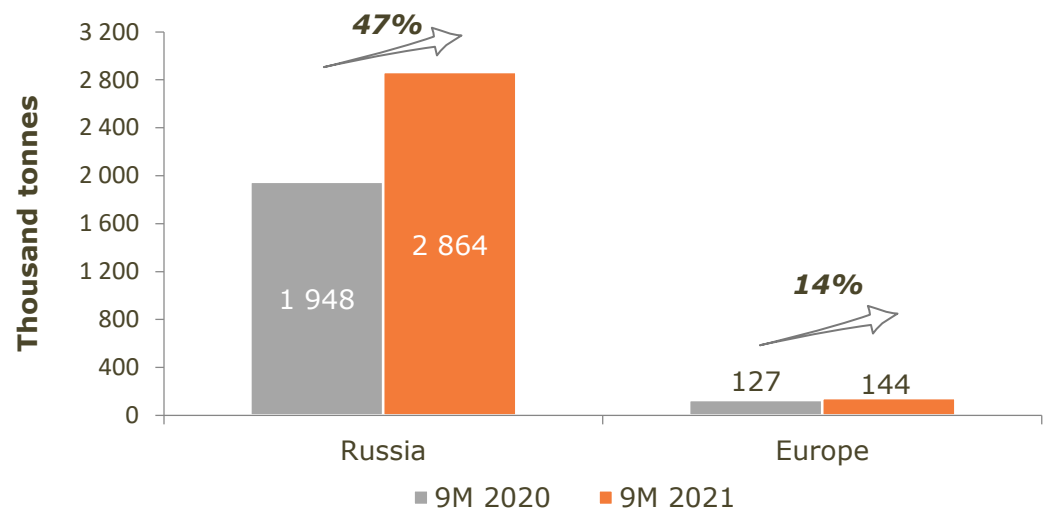


9M 2021 vs. 9M 2020 Results

9M 2021 vs. 9M 2020 Sales by Division and Product Group

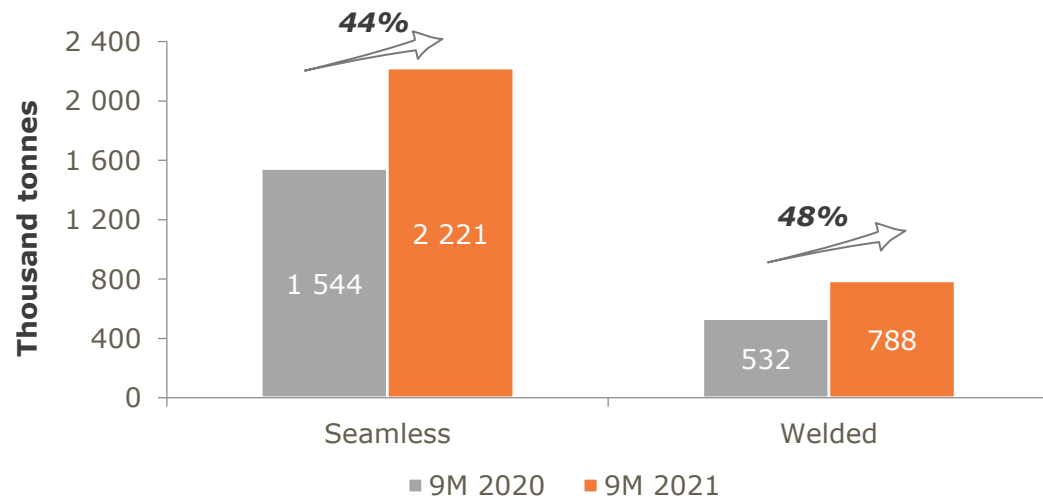


Sales by division



- Russian division sales increased YoY, mainly due to higher sales of seamless OCTG, seamless line pipe, industrial pipe and large diameter pipe, and following the consolidation of the results from ChelPipe Group's enterprises
- European division sales increased YoY, due to higher sales of seamless industrial pipe.

Sales by product group



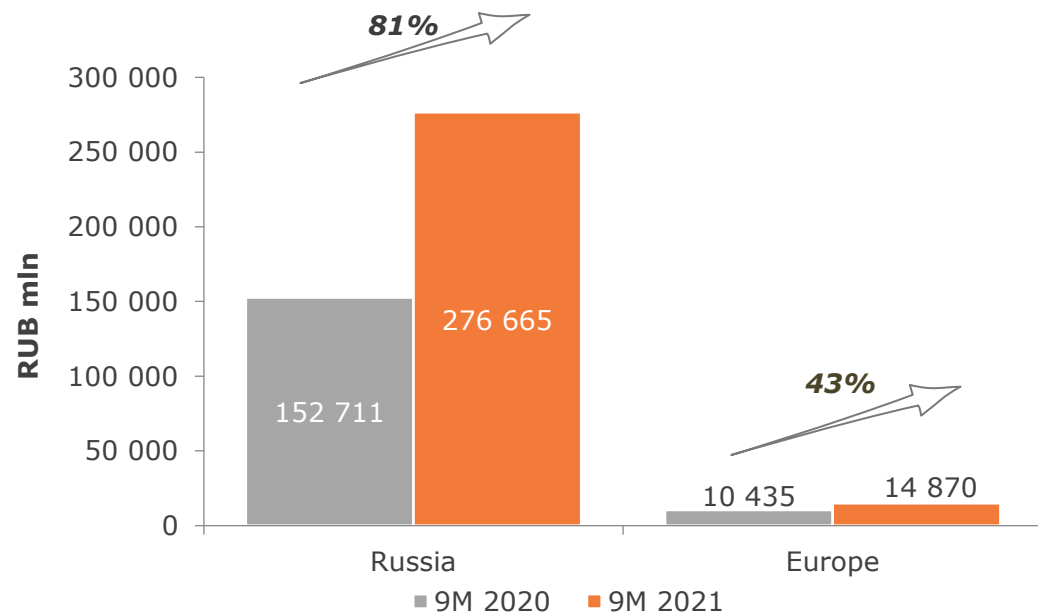
- Seamless pipe volumes increased YoY, due to higher sales of OCTG, line pipe and industrial pipe.
- Welded pipe sales increased YoY, mainly due to higher sales of industrial pipe and large diameter pipe at the Russian division.

Source: TMK data

9M 2021 vs. 9M 2020 Revenue by Division

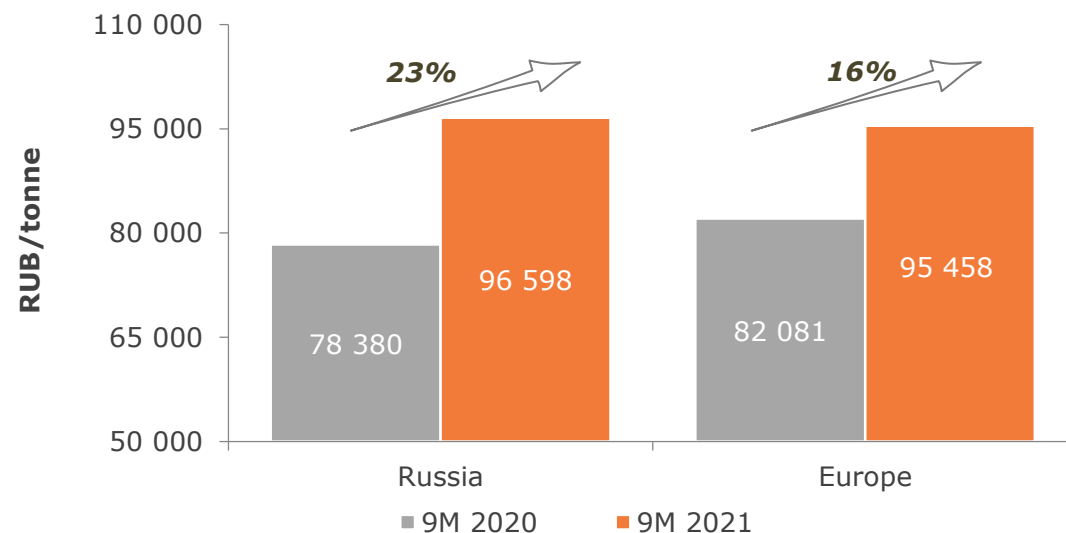


Revenue



- Revenue at the Russian division increased YoY, reflecting the improved demand in the Company's key segments, higher pipe selling prices, driven by increased raw material prices, as well as the contribution of ChelPipe Group's results.
- Revenue at the European division increased YoY, mainly driven by increased sales, due to an improving global economic environment and a revival of pipe demand in the European and US markets. The positive foreign currency translation effect also contributed to the increase in revenues.

Revenue per tonne*



* 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, with a higher share of seamless industrial pipes, and higher pipe selling prices.
- European division revenue per tonne increased YoY, mainly due to higher pipe selling prices.

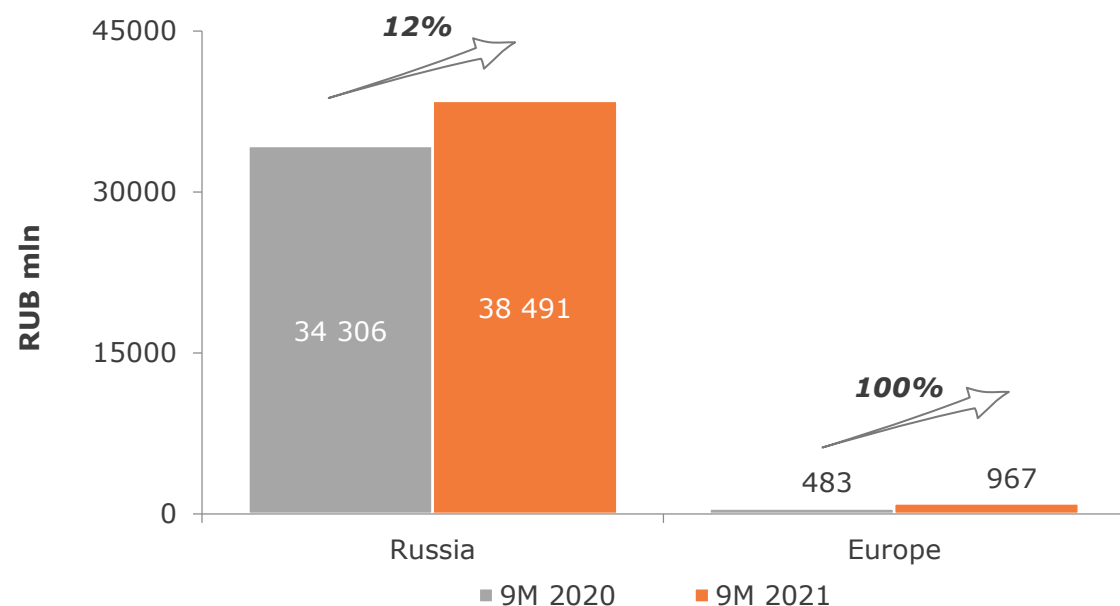
Source: Consolidated IFRS financial statements, TMK data

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9M 2021 vs. 9M 2020 Adjusted EBITDA by Division

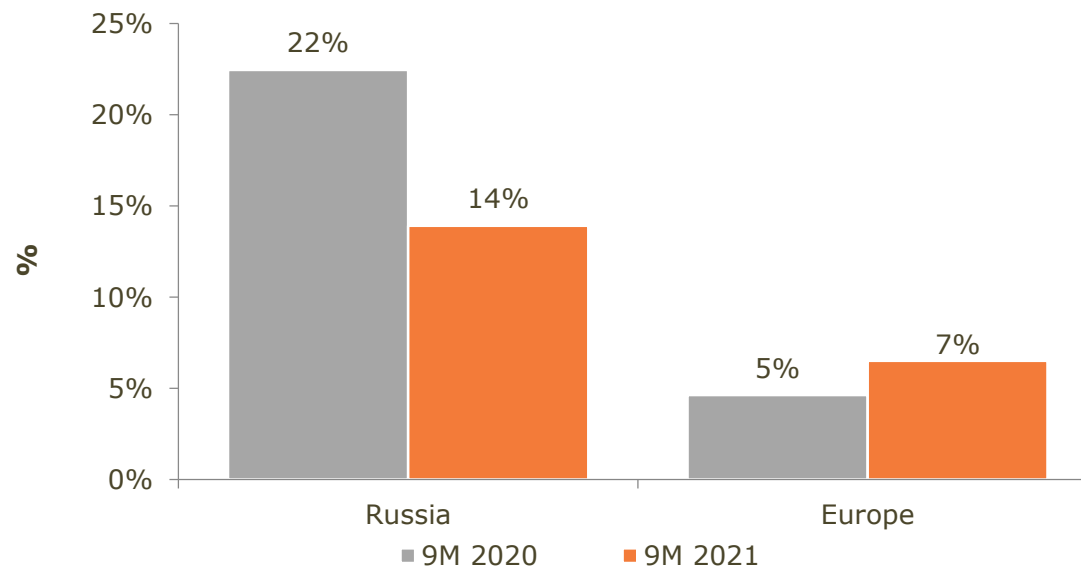


Adjusted EBITDA



- Adjusted EBITDA in the Russian division increased YoY, mainly due to an improved sales mix, with a higher share of seamless industrial pipe, following the consolidation of the results from ChelPipe Group's enterprises.
- European division Adjusted EBITDA almost doubled YoY, due to increased sales and higher pipe selling prices.

Adjusted EBITDA margin

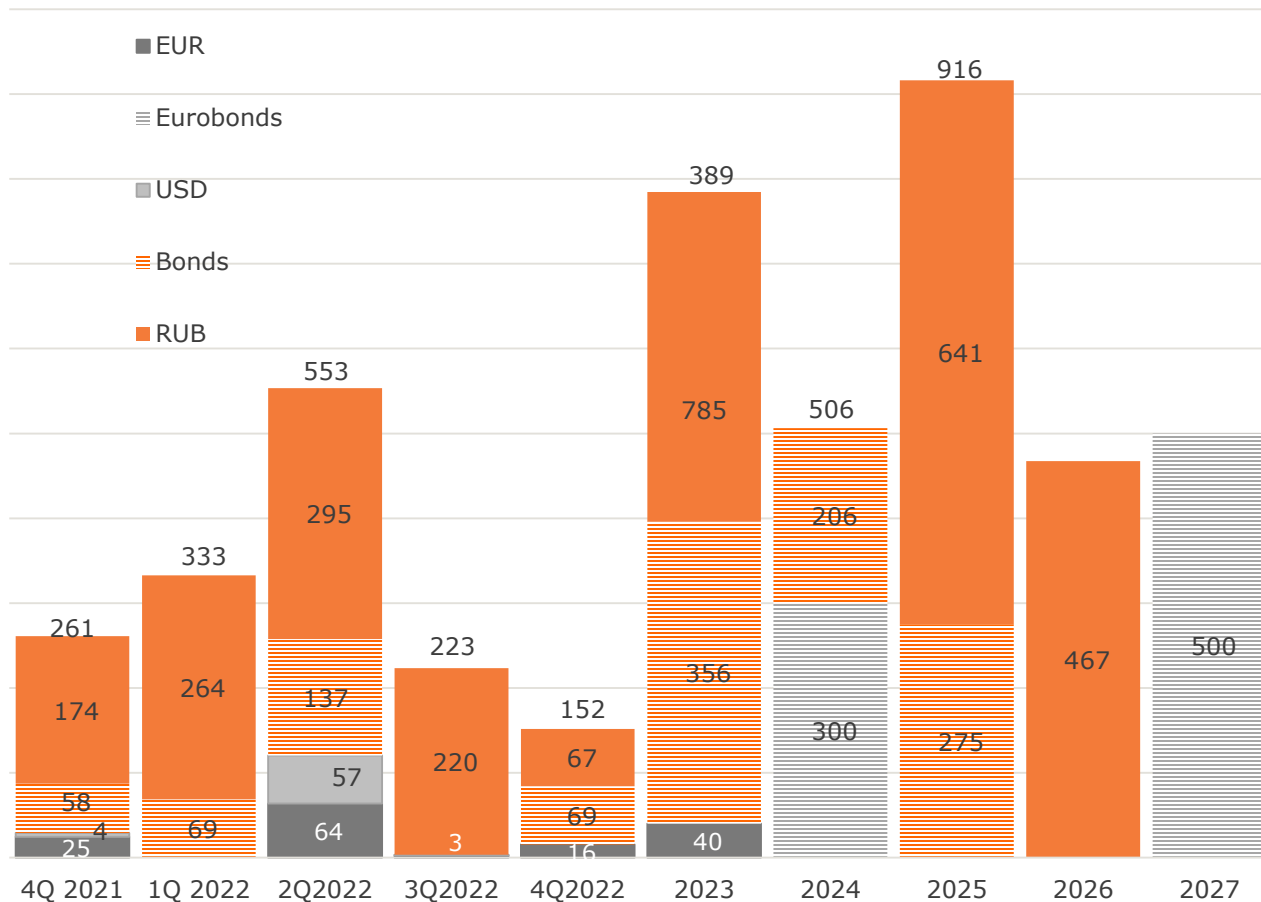


- Russian division Adjusted EBITDA margin was 14% compared to 22% in 9M 2020, when a significant positive foreign exchange gain from operations was recorded. An improved sales mix, with a higher share of seamless industrial pipes, supported the adjusted EBITDA margin.
- European division Adjusted EBITDA margin increased YoY, supported by the higher sales volumes and higher selling prices.

Source: Consolidated IFRS financial statements, TMK data

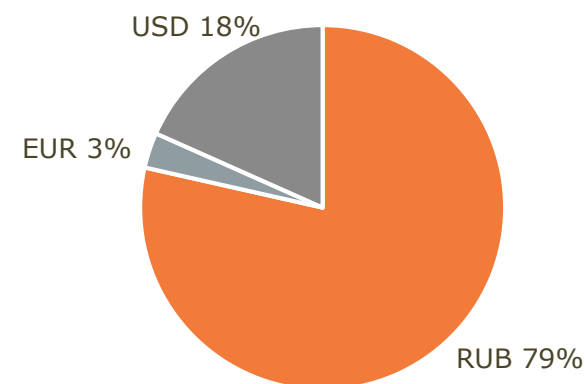
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Debt Maturity Profile as at September 30, 2021



- Total debt⁽¹⁾ amounted to RUB 340.6 billion (\$4.7 billion*) as at September 30, 2021.
- Net debt⁽²⁾ amounted to RUB 275 billion (\$3.8 billion*) as at September 30, 2021.
- The weighted average nominal interest rate increased by 109 bps compared to the end of 2020, to 7.16% as at the end of 3Q 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 September 30, 2021 (USD/RUB = 72.7608)

2021 outlook



- The Group expects demand in its key market segments in Russia – seamless OCTG and industrial pipes – to remain stable until the end of the year.
- Consumption of industrial pipe in the European market is expected to increase further on the back of the ongoing economic recovery.
- Overall, the Group expects FY 2021 EBITDA to increase significantly YoY, supported by the gradual recovery of business activity in the Group's key markets and segments, as well as the consolidation of the results from ChelPipe Group's enterprises. The Group also expects its EBITDA margin to improve further in 4Q 2021.

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