



Financial Presentation

2Q 2021 IFRS Results

August 25, 2021



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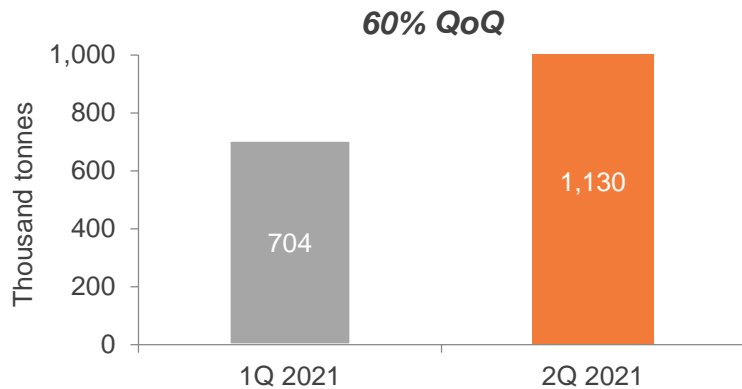
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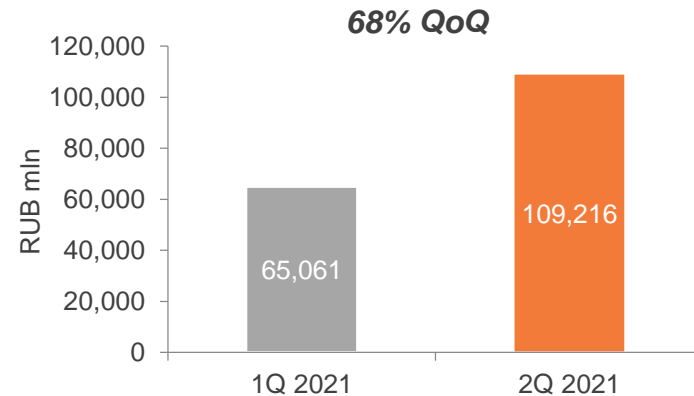


2Q 2021 vs. 1Q 2021 Summary Financial Highlights

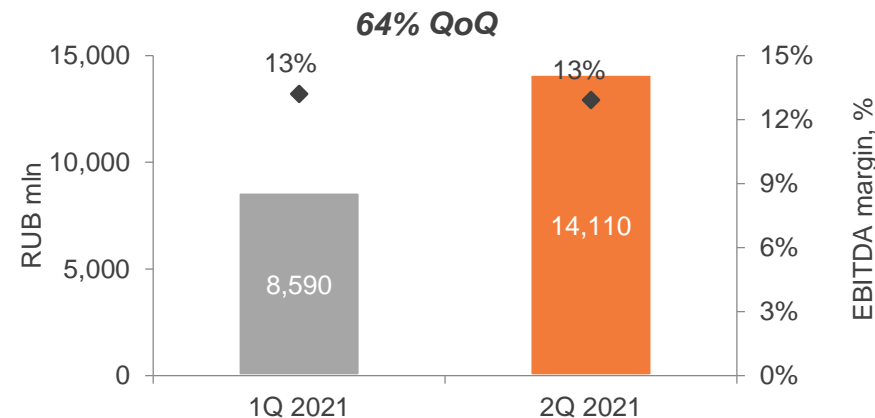
Sales increased QoQ, mainly due to higher sales of seamless OCTG and industrial pipe, as well as large diameter pipe, and the consolidation of the results from ChelPipe Group's enterprises



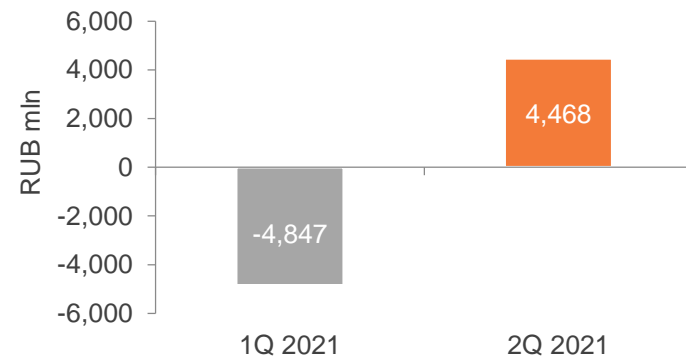
Revenue increased QoQ, supported by higher sales volumes, due to the contribution of ChelPipe Group's enterprises to the Group's overall result, and increased selling prices



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



Net profit was positive QoQ compared to a net loss in 1Q 2021, mainly due to an FX loss recorded in that period

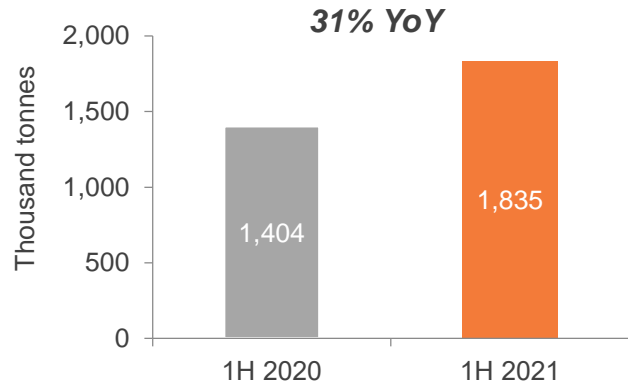


Source: TMK data

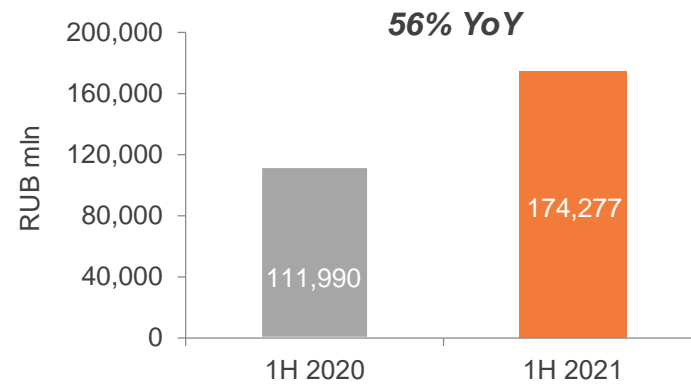


1H 2021 vs. 1H 2020 Summary Financial Highlights

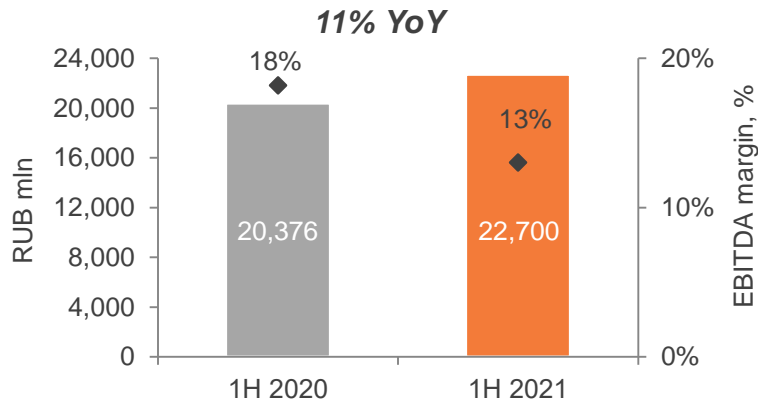
Sales increased YoY, mainly due to higher sales of seamless OCTG and industrial pipe



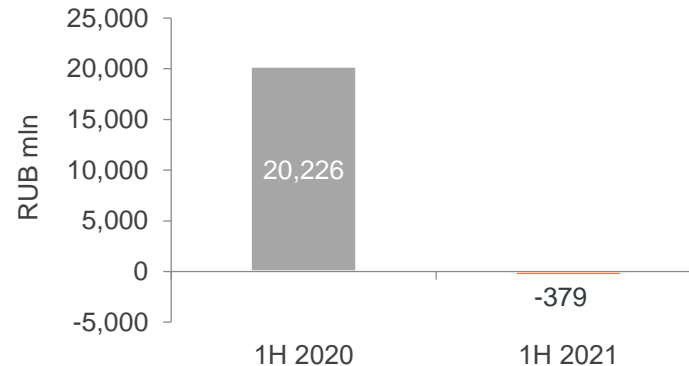
Revenue increased YoY, due to a gradual recovery of business activity in the Group's key markets and segments, as well as growth in sales and the consolidation of the results from ChelPipe Group's enterprises



Adjusted EBITDA increased YoY, mainly due to the consolidation of the results from ChelPipe Group's enterprises



Net loss was recorded in 1H 2021, mainly due to an FX loss, while in 1H 2020 a significant gain on disposal of subsidiaries was recorded

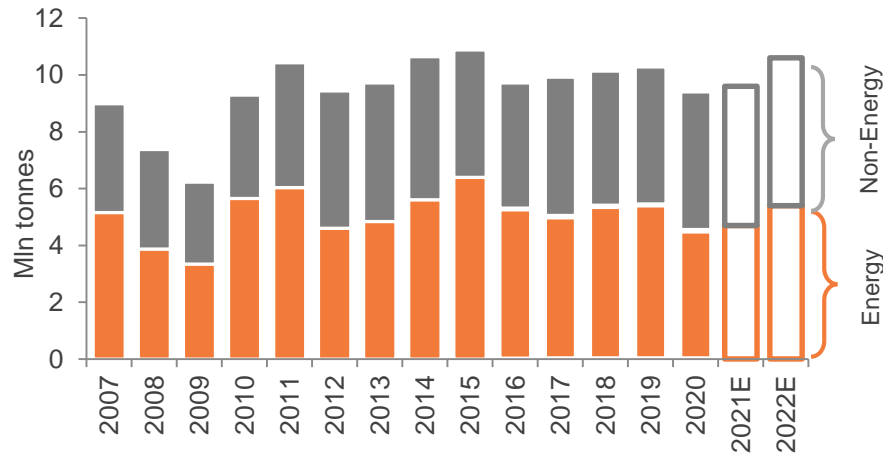


Source: TMK data



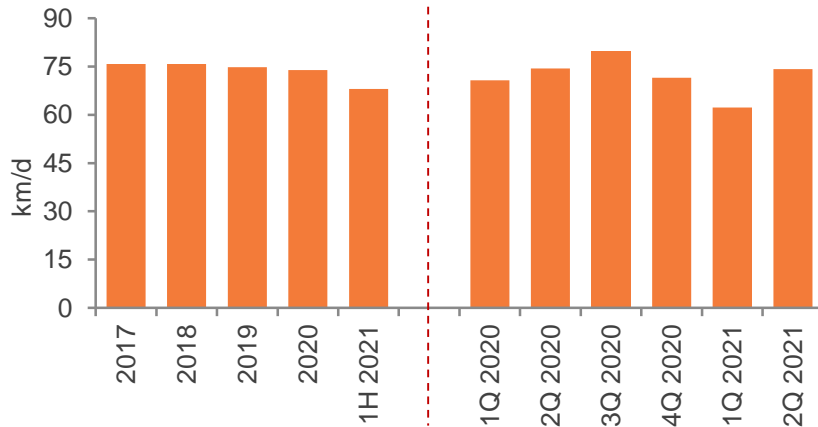
Russian Market Overview

Russian pipe market



Source: TMK estimates

Russian drilling activity remains robust



Source: CDU TEK

Key considerations

2Q 2021 vs. 1Q 2021

- In 2Q 2021, the Russian pipe market increased by 12% compared to the previous quarter, mainly due to growth in shipments of large diameter and industrial pipe. The demand for OCTG pipe in Russia remained stable. The share of horizontal drilling increased by 2 p.p. to almost 53% in 2Q 2021.
- In 2Q 2021, the revival of business activity in Europe continued, supported by extensive stimulus measures adopted by European countries, which led to higher demand for pipe.

1H 2021 vs. 1H 2020

- The Russian pipe market grew by 1% year-on-year, mainly due to increasing demand for industrial pipe and higher shipments of large diameter pipe. In 1H 2021, drilling volumes declined year-on-year following OPEC+ oil production cuts, while the share of horizontal drilling increased from 51% as at the end of 1H 2020 to 52% as at the end of 1H 2021.
- In 2Q 2021, European pipe producers saw an increase in orders. Pipe selling prices were on the rise during the first half of the year, driven by high raw material prices.

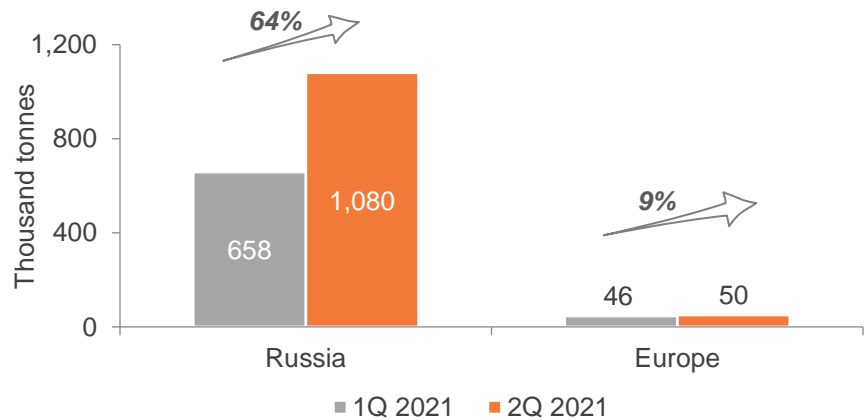


2Q 2021 vs. 1Q 2021 Results



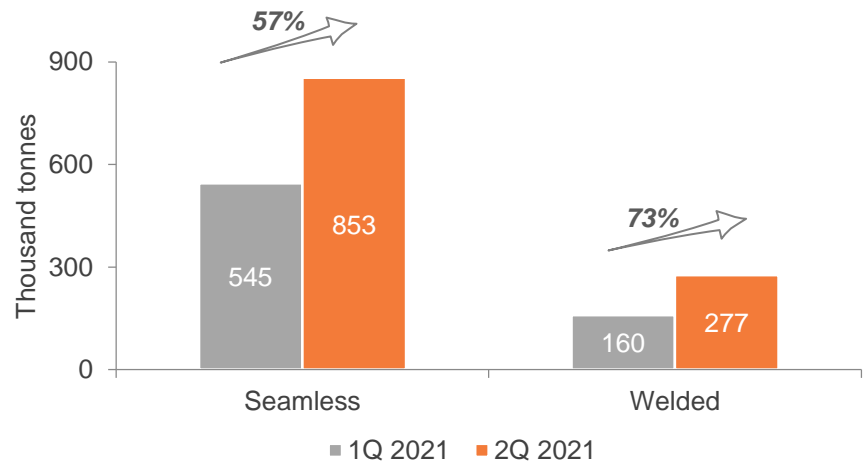
2Q 2021 vs. 1Q 2021 Sales by Division and Product Group

Sales by division



- Russian division sales increased QoQ, mainly due to the higher sales of seamless OCTG and industrial pipe, as well as welded large diameter pipe.
- European division sales increased QoQ, mainly due to the higher sales of seamless industrial pipe.

Sales by product group



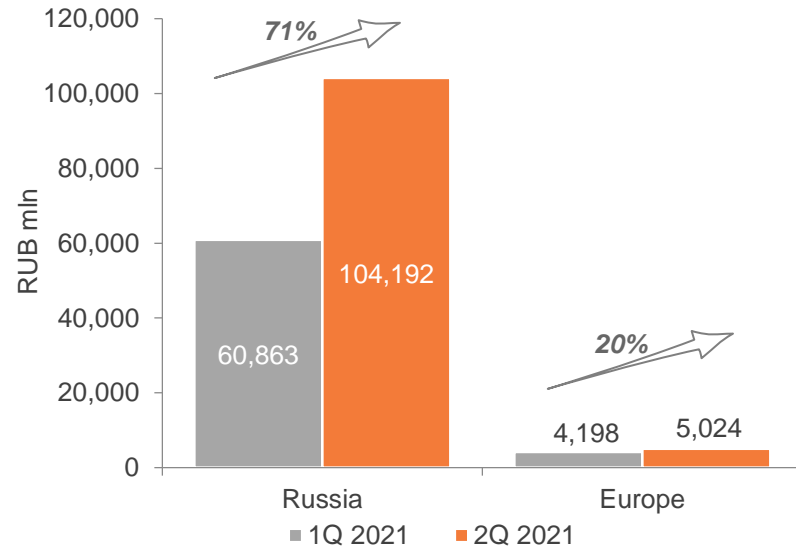
- Seamless pipe sales increased QoQ, mainly due to the higher sales of seamless OCTG and industrial pipe at the Russian division.
- Welded pipe sales increased QoQ, mainly due to the higher sales of large diameter pipe at the Russian division.

Source: TMK data

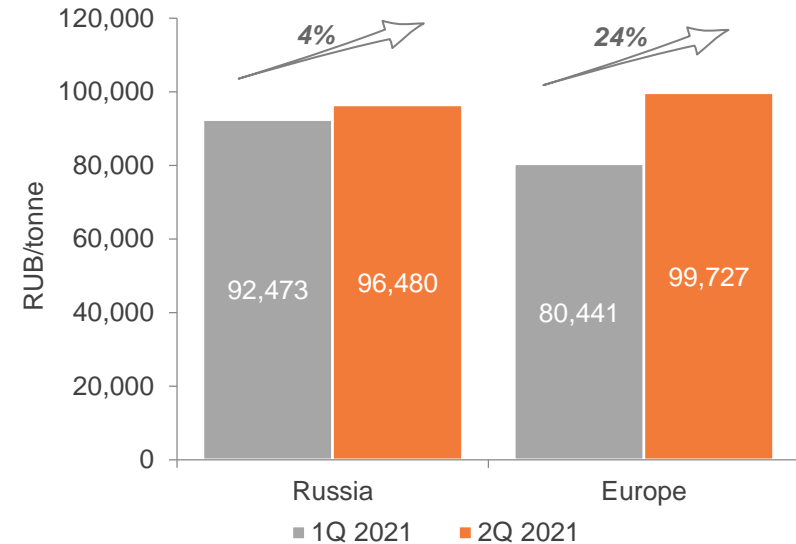


2Q 2021 vs. 1Q 2021 Revenue by Division

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, largely due to the contribution of ChelPipe's enterprises to the overall result, as well as higher pipe prices, driven by increased raw material prices.
- European division revenue increased QoQ, due to growing 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 increased QoQ, due to higher selling prices.

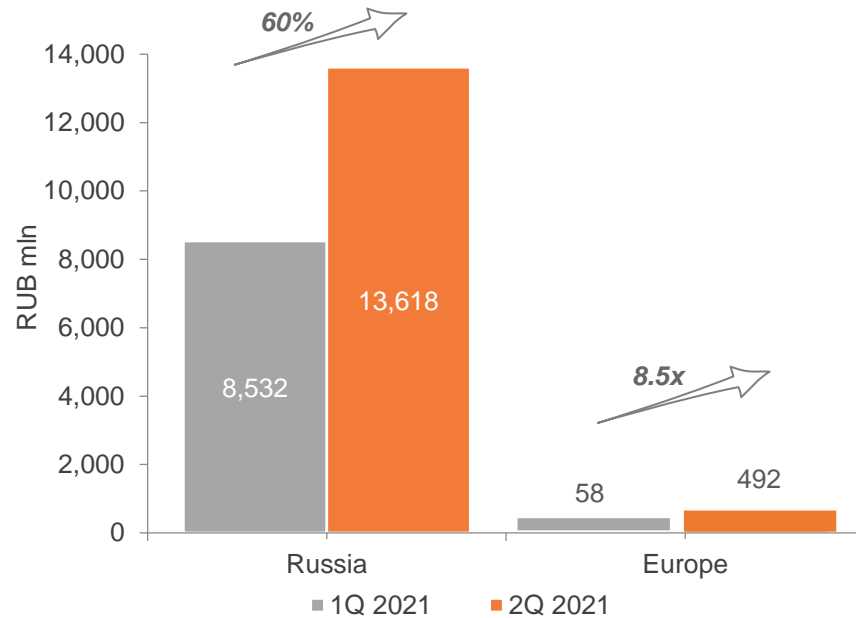
Source: Consolidated IFRS financial statements, TMK data

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.

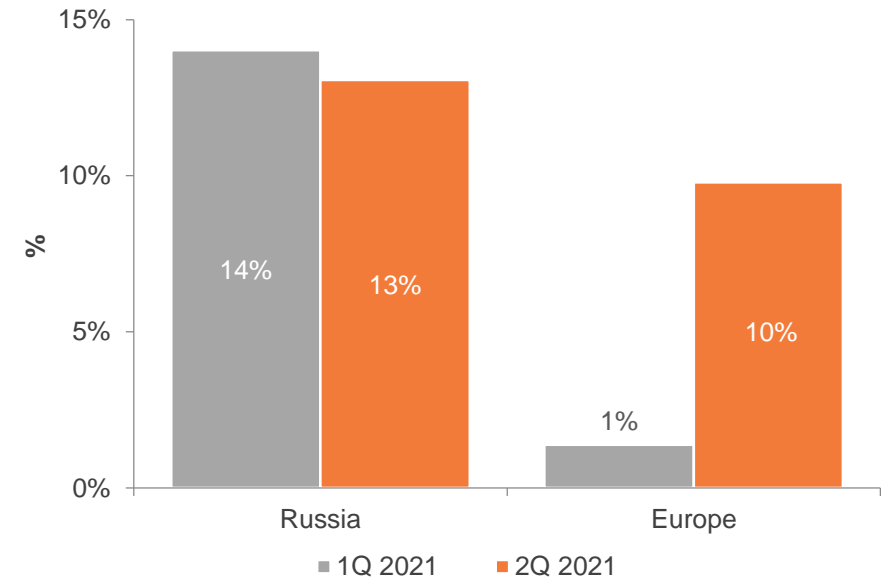


2Q 2021 vs. 1Q 2021 Adjusted EBITDA by Division

Adjusted EBITDA



Adjusted EBITDA margin



- Russian division Adjusted EBITDA increased QoQ, supported by increased sales volumes, due to the consolidation of ChelPipe Group's enterprises and higher gross profit.
- European division Adjusted EBITDA increased QoQ, supported by higher sales volumes and an increase in gross profit.
- Russian division Adjusted EBITDA margin decreased slightly by 1 p.p. QoQ to 13% in 2Q 2021, supported by a stable product mix, despite a continued increase in scrap and HRC prices.
- European division Adjusted EBITDA margin increased QoQ, due to a more favourable market environment.

Source: Consolidated IFRS financial statements, TMK data

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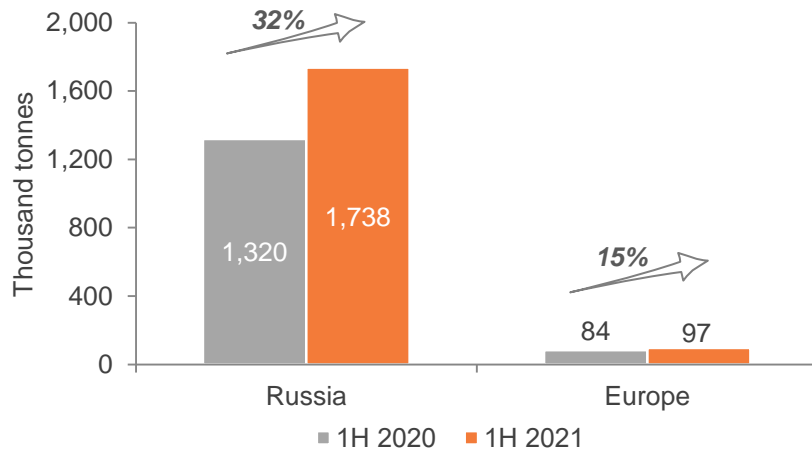


1H 2021 vs. 1H 2020 Results



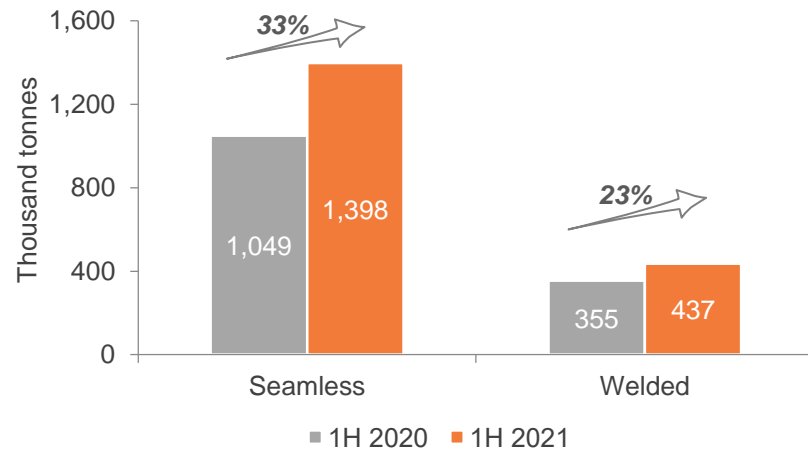
1H 2021 vs. 1H 2020 Sales by Division and Product Group

Sales by division



- Russian division sales increased YoY, mainly due to the higher sales of seamless OCTG and industrial pipe.
- European division sales increased YoY, due to the higher sales of seamless industrial pipe.

Sales by product group



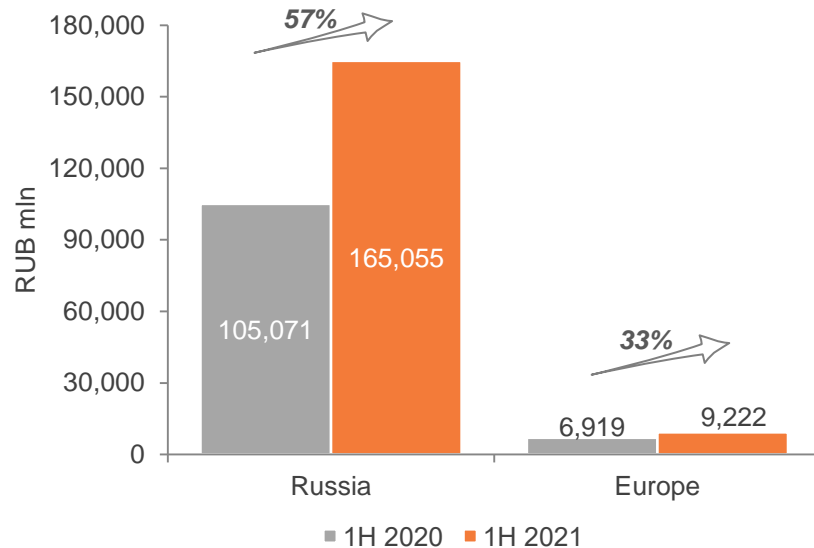
- Seamless pipe volumes increased YoY, due to higher sales of OCTG and industrial pipe at the Russian division.
- Welded pipe sales increased YoY, mainly due to higher sales of industrial pipe at the Russian division.

Source: TMK data

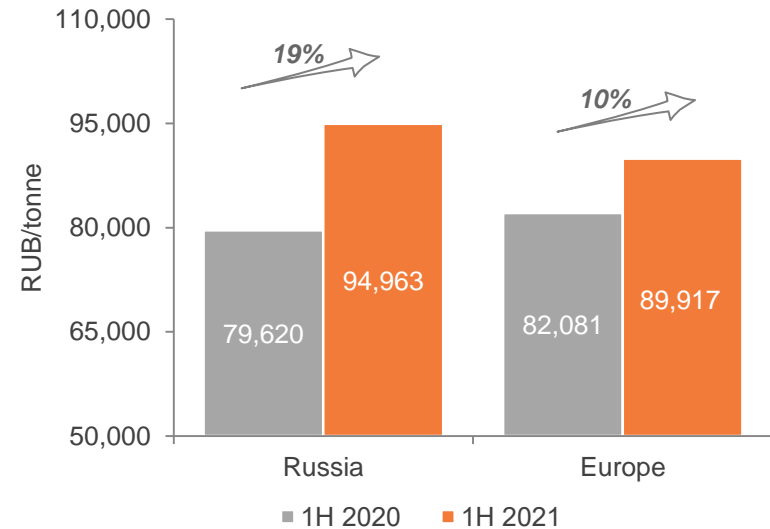


1H 2021 vs. 1H 2020 Revenue by Division

Revenue



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

- Revenue at the Russian division increased YoY, reflecting improved demand in the Company's key segments, higher pipe selling prices, driven by increased raw material prices, as well as the contribution of results from ChelPipe Group to the overall result.
- 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.

- Russian division revenue per tonne increased YoY, due to a more favourable sales mix, with a higher share of seamless pipe, and higher selling prices.
- European division revenue per tonnes decreased YoY, mainly due to higher selling prices.

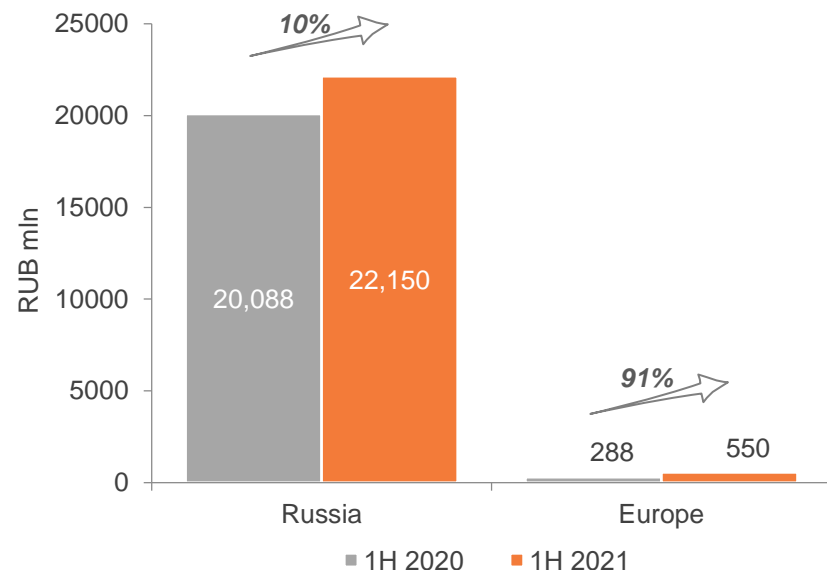
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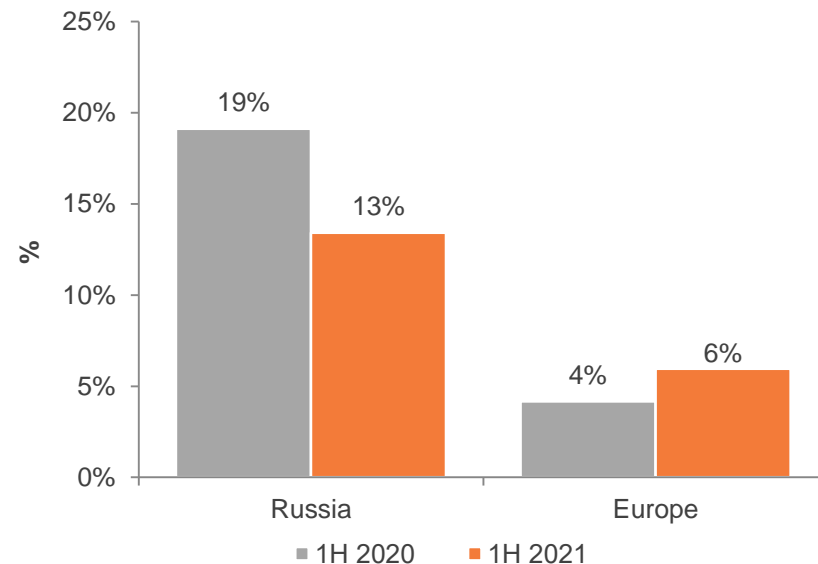
1H 2021 vs. 1H 2020 Adjusted EBITDA by Division

Adjusted EBITDA



- Adjusted EBITDA in the Russian division increased YoY.
- European division Adjusted EBITDA almost doubled YoY, reflecting a higher gross profit, which was, however, under pressure from higher raw material prices.

Adjusted EBITDA margin



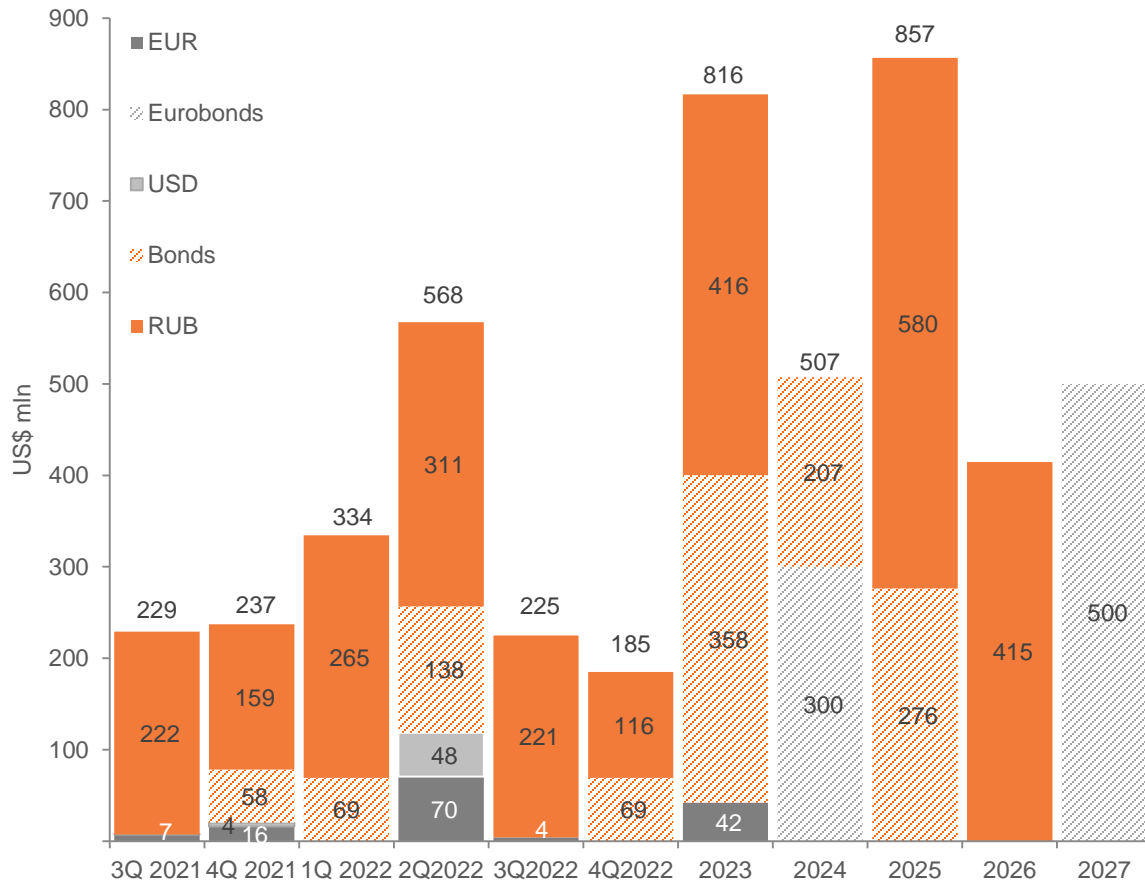
- Russian division Adjusted EBITDA margin was 13% compared to 19% in 1H 2020, when a significant positive foreign exchange gain from operations was recorded. An improved sales mix, with a higher share of seamless pipe, supported the adjusted EBITDA margin.
- European division Adjusted EBITDA margin increased YoY, supported by higher sales volumes and an increase in gross profit.

Source: Consolidated IFRS financial statements, TMK data

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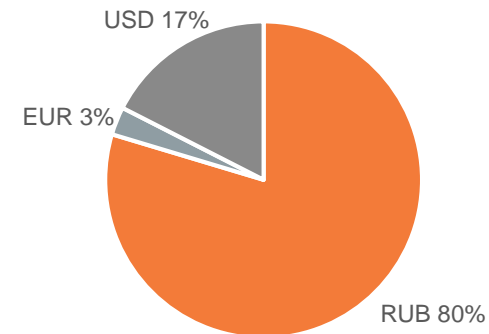


Debt Maturity Profile as at June 30, 2021



- Total debt⁽¹⁾ amounted to RUB 351.6 billion (\$4.86 billion*) as at June 30, 2021.
- Net debt⁽²⁾ amounted to RUB 251.8 billion (\$3.5 billion*) as at June 30, 2021.
- The weighted average nominal interest rate increased by 52 bps compared to the end of 2020, to 6.58% as at the end of 2Q 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

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.

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

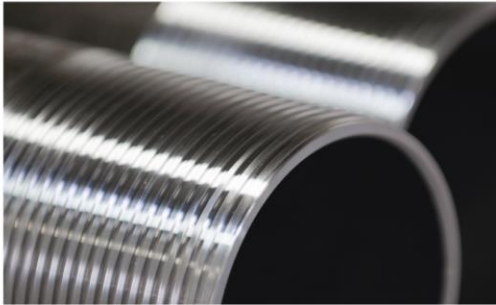
(2) Net debt is calculated as total debt net of cash and short-term financial investments

* At the rate of the Central Bank of Russia as at June 30, 2021 (USD/RUB = 72.3723)



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.
- The Group expects a continued recovery of export volumes to CIS and the Middle East.



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