

TMK'S MARKET POSITION

In 2020, the unfavourable global macroeconomic situation caused by the COVID-19 pandemic, oil price volatility and OPEC+ production restrictions had a significant impact on the global pipe industry, hitting mostly the oil and gas pipe segment (OCTG, line pipe and LDP), whilst affecting the industrial pipe segment to a lesser extent.

According to IMF estimates, global GDP in 2020 shrank by 3.5% year-on-year, and the average oil price was \$42 per barrel. After hitting a record high in 2019, the global steel pipe market was down 10% in 2020, with the threaded OCTG market declining by 24%. In 2021, with the weakening impact of the pandemic on the global economy, business activity is expected to recover. According to IMF experts, the global GDP growth rate in 2021 could reach 5.5%, and the average oil price will reach \$50 per barrel, which, in turn, may lead to increased demand for all types of steel pipes, including OCTG.

The American threaded pipe market is the largest market in the world, hence its volatility has a significant effect on the entire global OCTG market. In 2020, the United States experienced the largest decline in drilling activity in its history, with the rig count dropping to 244 in mid-August (the lowest since 1987). This certainly had a negative impact on OCTG pipe consumption, which was down 49% year-on-year at 2.6 million tonnes by end-2020. Since August 2020, however, the drilling activity in the USA gradually started to recover and will continue, according to industry forecasts. As at the end of 2020, the drilling rig count reached 351.

TMK Group's steel pipe sales in 2020 were 2.8 million tonnes. For the 12th year running, TMK remains the world's leading steel pipe producer in terms of sales volumes. According to Company estimates, TMK had a 14% share of the global seamless OCTG market.

Nº 1

the world's leading steel pipe producer

14%

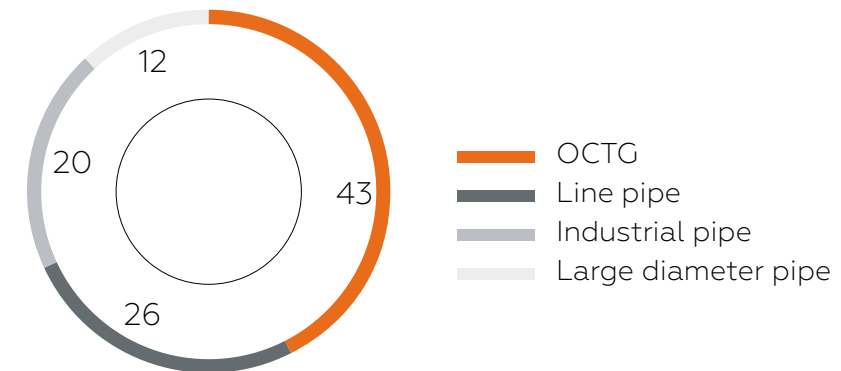
TMK had a share of the global seamless OCTG market.

2.8

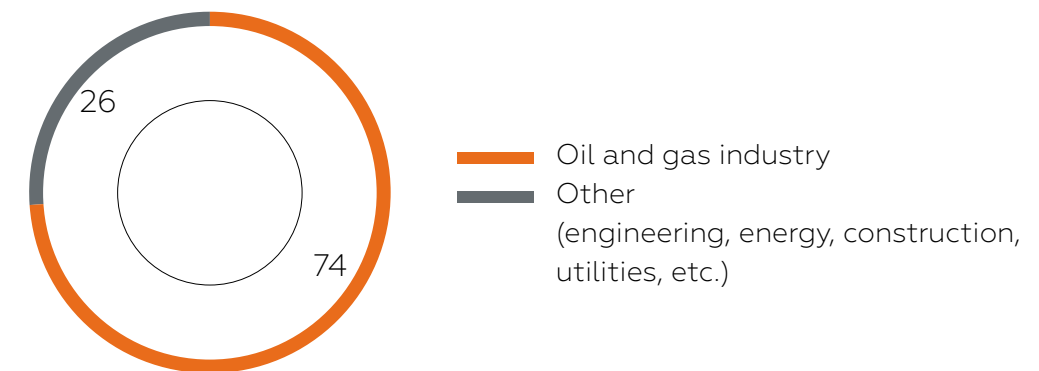
mln tonnes

TMK Group's steel pipe sales in 2020

2020 PRODUCT PORTFOLIO

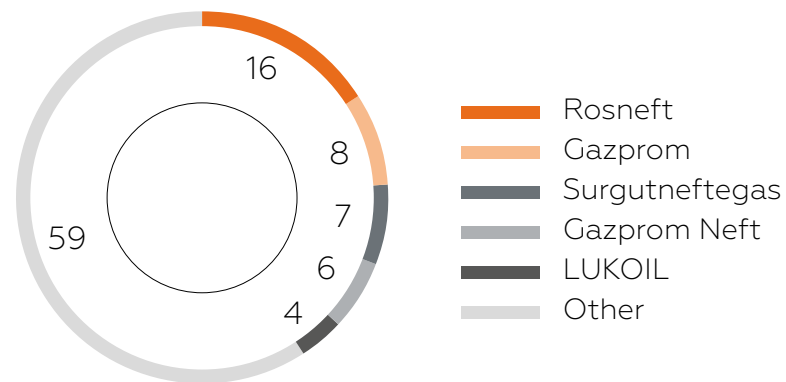


2020 SALES BY INDUSTRY



A considerable portion of TMK's products is shipped to Russian oil and gas majors such as Gazprom, Gazprom Neft, LUKOIL, Rosneft, and Surgutneftegas. These top five Russian customers accounted for 41% of TMK's total sales in 2020.

2020 SALES BY CUSTOMER



TMK has a global network of distribution and representative offices and a track record of supplying products to over 80 countries. The geographical diversification of our assets and sales helps TMK mitigate risks and uncertainties while leveraging the opportunities offered by each market.

In 2020, the Russian market accounted for 77% of our total revenue, the European market for 11%, and the Americas for 2%. The CIS countries, the Middle East, Central and South East Asia, and Rest of World (ROW) accounted for 9% of the total revenue. In 2020, the share of the American market in our total revenue significantly decreased year-on-year on the back of much weaker demand for tubular products due to oil price volatility and a slowdown in drilling activity.

41%

top five Russian customers accounted of TMK's total sales in 2020

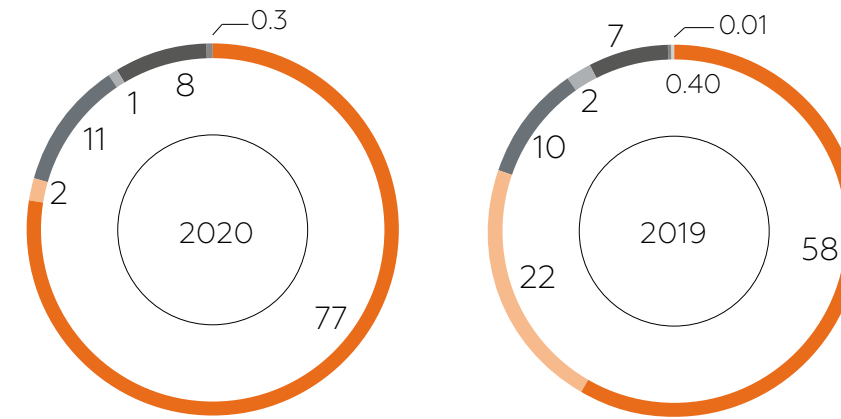
over 80 countries

a track record of supplying products

77%

the Russian market accounted of our total revenue

SALES GEOGRAPHY, % OF REVENUE



- Russia
- Americas
- Europe
- Middle East and North Africa
- CIS countries
- East Asia, Southeast Asia, and the Far East
- Sub-Saharan Africa