

# TMK Q1 Remains Flat

By [The Moscow Times](#)

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In the second quarter, steel pipe maker TMK expects some pressure on the U.S. market, where it generates almost a quarter of its sales volumes. Above, a TMK facility.

TMK, the country's largest maker of steel pipes for the energy sector, said Thursday that its 2012 first-quarter net profit was flat and that second-quarter core earnings will remain unchanged, as U.S. sales could be pressured by imports.

Analysts polled by Reuters had expected the company to post a first-quarter net profit of \$92 million, down from \$104 million in the year-earlier period.

The company, controlled by businessman Dmitry Pumpyansky, said it expected its EBITDA in the second quarter to remain flat against the first quarter.

TMK expects some pressure on the U.S. market, where it generates almost a quarter of its sales volumes through deliveries from its U.S. facilities, the company said.

"The U.S. market may see some uncertainty, as distributors are keeping an eye on inventory

levels and face increasing imports in both welded and seamless pipe,” the statement said.

“This may put pressure on the profitability improvements the American division saw in the first quarter of 2012.”

TMK also saw a 5 percent slump in total pipe sales year on year to 1.01 million tons, including a 16 percent drop of its welded pipe sales to 396,000 tons, mainly as a result of low Russian demand for large-diameter pipes.

The company said its first-quarter revenue dropped to \$1.66 billion from \$1.67 billion a year ago, in line with analyst consensus. TMK also said its first-quarter EBITDA reached \$277 million, above the average \$276 million forecast, but less than the \$293 million year-earlier result.

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