

S&P Global Upgrades Vallourec's Long Term Issuer Credit Rating to 'BB-' with Positive Outlook

Meudon (France), 6 March 2023 – S&P Global has upgraded Vallourec's long-term issuer credit rating to 'BB-' from 'B+' with a positive outlook.

S&P Global affirmed the 'BB-' issue rating on its senior unsecured notes as well as the 'B' rating on its commercial paper program.

S&P Global's positive outlook reflects its expectation of higher EBITDA in 2023 vs. 2022 and a reduction in net debt in the coming years, in line with Vallourec's latest published financial objectives of:

- An improvement in EBITDA in 2023 year-over-year, driven by both the Tubes business and Mine and Forest business
- An objective of being Free Cash Flow positive for the Full Year 2023, despite CAPEX of around 220 million euros and the expected one-time New Vallourec restructuring cash outflows of about 350 million euros ^(a)
- Further Net Debt reduction in 2023 ^(b)

Philippe Guillemot, Chairman of the Board of Directors, and Chief Executive Officer declared:

"We are delighted with this latest credit rating upgrade which further vindicates the success of our New Vallourec strategic plan. In particular we made strong progress in net debt reduction in the fourth quarter of 2022, and this will continue in the next two years, on the way towards an objective zero net debt at the latest end of FY 2025".

On February 3, 2021 Vallourec communicated a net leverage objective of 2.5x by FY 2022, and 1.2x by FY 2025 ^(c). At the end of FY 2022 net leverage actually stood at 1.6x.

^a Free Cash Flow defined as EBITDA adjusted for changes in provisions, less Interest and Tax Payments, changes in Working Capital, less Capex, and less Restructuring/Other Cash Outflows

^b Change in Net Debt defined as Free Cash Flow less Asset Disposals/Other

^c Net Leverage is defined as: Net debt at end of period / last 12 months EBITDA

About Vallourec

Vallourec is a world leader in premium tubular solutions for the energy markets and for demanding industrial applications such as oil & gas wells in harsh environments, new generation power plants, challenging architectural projects, and high-performance mechanical equipment. Vallourec's pioneering spirit and cutting edge R&D open new technological frontiers. With close to 16,000 dedicated and passionate employees in more than 20 countries, Vallourec works hand-in-hand with its customers to offer more than just tubes: Vallourec delivers innovative, safe, competitive and smart tubular solutions, to make every project possible.

Listed on Euronext in Paris (ISIN code: FR0013506730, Ticker VK), Vallourec is part of the CAC Mid 60, SBF 120 and Next 150 indices and is eligible for Deferred Settlement Service. In the United States, Vallourec has established a sponsored Level 1 American Depositary Receipt (ADR) program (ISIN code: US92023R4074, Ticker: VLOWY). Parity between ADR and a Vallourec ordinary share has been set at 5:1.

Financial Calendar

May 17th 2023	First Quarter 2023 results
May 25th 2023	Ordinary and Extraordinary Shareholders' Meeting
September 12th 2023	Capital Markets Day in London

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