

Vallourec expects full year 2023 results to exceed its prior outlook

Estimated figures indicate full year 2023 EBITDA will exceed €1,190 million and net debt will be below €580 million

Meudon (France), 1 February 2024 – Vallourec, a world leader in premium tubular solutions, announces today that it expects full year 2023 results to exceed management's prior outlook.

As part of Vallourec's Q3 2023 financial communication, Vallourec provided its full year 2023 outlook as follows:

- Full year 2023 EBITDA was expected to range between €1,075 million and €1,175 million
- Total cash generation was expected to be positive in the fourth quarter 2023, excluding any potential benefit of asset sales
- Net debt was expected to decline further versus the third quarter 2023 level of €741 million, excluding any potential benefit of asset sales

Though audits are underway and accounts are not yet approved by the Vallourec Board¹, Vallourec now confirms the following estimated results:

- Full year 2023 EBITDA is expected to exceed €1,190 million, with fourth quarter 2023 EBITDA exceeding €275 million
- Total cash generation in the fourth quarter 2023 is expected to exceed €140 million, which includes the approximately €37 million cash inflow from the sale of Vallourec's Mülheim facility
- Vallourec's net debt at the end of December 2023 is expected to be less than €580 million

This sequential improvement in EBITDA was attributable to an increase in sales volumes, driven by higher shipments in both North America and Eastern Hemisphere. Higher sales volumes in North America more than offset pricing declines in the region, and improved execution in South America drove sequentially higher EBITDA. Results also benefitted to a lesser extent from favorable iron ore pricing and sequentially improved EBITDA in Germany, which led to a slightly positive EBITDA contribution from Germany in 2023. Relative to Vallourec's prior outlook, results exceeded expectations in both main segments, but particularly in the Tubes results in the Americas.

Vallourec's net debt declined substantially in the fourth quarter to less than €580 million. As expected, restructuring cash out was a significant headwind, but cash flow was supported by strong EBITDA and further working capital release. Vallourec expects to further deleverage its balance sheet and achieve zero net debt by year-end 2025 at the latest.

Philippe Guillemot, Chairman and CEO of Vallourec, said: *"Our fourth quarter results bring a highly successful year for Vallourec to a close. In addition to efficiently executing multiple global workstreams related to the New Vallourec plan, the Group delivered its best EBITDA and cash generation in nearly 15 years. We have now completed the shutdown of our German operations, and I thank the team there for their commitment to delivering quality results and products throughout this operation's final year. Moreover, I would like to thank all Vallourec employees for their tireless efforts to improve our business and execute the New Vallourec plan. While we are proud of our accomplishments, we see many more opportunities to enhance our profitability ahead. We remain on track to reach zero net debt by year end 2025 at the latest. Following our deleveraging, we aim to return significant capital to our shareholders, potentially as early as 2025."*

¹ Auditors' review of 2023 full year financial statements is in progress. These financial statements will be examined by the Board of Directors on February 29, 2024 and will be released on March 1, 2024.

² Vallourec's dividend policy would in any event be conditional upon the Board's decision taking into account Vallourec's results, its financial position including the deleveraging target and the potential restrictions applicable to the payment of dividends. Dividends and share repurchases would also be subject to shareholders' approval.

A summary of estimated key financial metrics is presented below.

<i>in € million, unless noted</i>	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2022	FY 2023
Tubes volume sold (k tonnes)	514	431	396	343	~380	1,804	~1,550
Iron ore volume sold (m tonnes)	1.4	1.5	1.9	1.8	~1.7	4.0	~6.9
Group revenues	1,541	1,338	1,358	1,142	> 1,270	4,883	> 5,110
Group EBITDA	312	320	374	222	> 275	715	> 1,190
<i>(as a % of revenue)</i>	20.2%	23.9%	27.5%	19.4%	~22%	14.6%	~23%
Tubes EBITDA	285	279	330	193	> 240	638	> 1,040
Mine & Forest EBITDA	22	48	50	39	> 35	113	> 170
Total cash generation	323	151	118	150	> 140	(200)	> 560
Net debt	1,130	1,000	868	741	< 580	1,130	< 580

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 14,000 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.

For further information, please contact:

Investor Relations

Connor Lynagh
Tel: +1 (713) 409-7842
connor.lynagh@vallourec.com

Press relations

Héloïse Rothenbühler
Tel.: +33 (0)6 45 45 19 67
heloise.rothenbuhler@vallourec.com

Individual shareholder relations

Toll-free number: 0 805 65 10 10
actionnaires@vallourec.com