Press release

Vallourec reports fourth quarter and full year 2020 results

Boulogne-Billancourt (France), February 17th 2021 – Vallourec, a world leader in premium tubular solutions, today announces its results for the fourth quarter and full year of 2020. The consolidated financial information was presented by Vallourec's Management Board to its Supervisory Board on February 16th 2021.

FY 2020: Strong impact of O&G market downturn on EBITDA mitigated by highly resilient margin

- €3,242 million revenue, down 22% year-on-year (-15% at constant exchange rates)
- €258 million EBITDA versus €347 million in 2019
- EBITDA margin maintained almost stable, at 8.0% of revenue vs 8.3% in 2019
- Free cash flow of (€111) million versus (€41) million in 2019
- Net debt at €2,214 million as of December 31st 2020 versus €2,031 million as of December 31st 2019
- Cash position at €1,390m as of 31/12/2020

Q4 2020: Positive cash flow generation

- €830 million revenue, down 17% year-on-year (-5% at constant exchange rates)
- €76 million EBITDA, or 9.2% of revenue versus 9.4% in Q4 2019
- Net income impacted by impairment charges for €409 million
- Positive free cash flow of €112 million, versus €76 million in Q4 2019 with major achievements in working capital management

Major step in the financial restructuring, with an agreement in principle supported by 92% of creditors as of February 12th

- Deleveraging of €1,800 million
- Residual debt refinanced over 5 years
- Market guarantees committed for 5 years
- Apollo and SVPGlobal to become the largest shareholders of the Group

2020 gross savings at €165 million, largely overachieving our €130 million target

2021 Outlook:

- **Oil and Gas activity** expected to remain **subdued in 2021**
- **Iron ore mine** expected to bring an **increased contribution**
- **Continuous cost savings and cash management** initiatives along the year
- **EBITDA targeted between €250 and €300 million**
- **Free cash flow targeted between (€380) and (€300) million**

Information
Quarterly statements are unaudited and not subject to any review. Audit procedures have been carried out for the full year consolidated financial statements. Final certification will take place before the URD "Universal Registration Document" is filed with the AMF, by end of March 2021. Unless otherwise specified, indicated variations are expressed in comparison with the same period of the previous year.

Key figures

2020	2019	Change	In € million	Q4 2020	Q4 2019	Change
1,599	**2,291**	-30.2%	**Production shipped (k tons)**	**408**	**520**	-21.5%
3,242	**4,173**	-22.3%	**Revenue**	**830**	**1,004**	-17.3%
258	**347**	-€89m	**EBITDA**	**76**	**94**	-€18m
8.0%	*8.3%*	*-0.3p.p.*	*(as a % of revenue)*	*9.2%*	*9.4%*	*-0.2p.p.*
(1,002)	**(17)**	-€985m	**Operating income (loss)**	**(495)**	**(9)**	-€486m
(1,206)	**(338)**	-€868m	**Net income, Group share**	**(570)**	**(111)**	-€459m
(111)	**(41)**	-€70m	**Free cash-flow**	**112**	**76**	+€36m
2,214	**2,031**	+€183m	**Net debt**	**2,214**	**2,031**	+€183m

Edouard Guinotte, Chairman of the Management Board, declared:

“Although Vallourec's revenue in 2020 was strongly impacted by the considerable drop of its activity due to Covid pandemic impact on oil demand and E&P activity worldwide, the Group has demonstrated its capacity to adapt, achieving an almost stable EBITDA margin year-on-year.

In addition, two weeks ago, we achieved a key milestone in the Group’s financial restructuring, by reaching an agreement in principle with our main creditors. The implementation of this agreement, which is still subject to customary conditions precedent, will enable Vallourec to rebalance its capital structure by reducing its debt and securing the necessary liquidity to roll out its strategic plan. It will open a new chapter in Vallourec’s history with our future shareholders, Apollo and SVPGlobal, whose in-depth knowledge of our markets will support the Group’s value creation ambition.

Looking ahead, we expect Oil and Gas activity to globally remain subdued in 2021. While drilling should gradually restart in North America, and continue growing off-shore Brazil, EA-MEA should face difficult market conditions with no recovery visible before 2022. Our Industry markets are expected to slowly restart in 2021, and Vallourec’s iron ore mine activity should bring an increased contribution. In this context, we will continue deploying our cost savings and cash management initiatives along the year.

I would like to sincerely thank our teams across the world for their dedication and collective engagement this year. They can be very proud of the way they adapted to multiple crises while staying true to our values. I would also like to thank all our customers, partners and stakeholders who have maintained their trust in Vallourec despite the challenging context. Together, with a restructured balance sheet, we will be positioned to seize future growth opportunities in our markets.”

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I - CONSOLIDATED REVENUE BY MARKET

2020	2019	Change	At constant exchange rates	In € million	Q4 2020	Q4 2019	Change	At constant exchange rates
2,207	3,042	-27.4%	-22.6%	Oil & Gas, Petrochemicals	566	762	-25.7%	-17.2%
826	939	-12.0%	5.6%	Industry & Other	225	205	9.8%	39.0%
210	192	9.4%	11.5%	Power Generation	39	37	5.4%	10.8%
3,242	**4,173**	**-22.3%**	**-14.7%**	**Total**	**830**	**1,004**	**-17.3%**	**-4.7%**

In 2020, Vallourec recorded revenue of €3,242 million, down 22% compared with 2019 (-15% at constant exchange rates) with:

- a volume impact of -30% mainly driven by Oil & Gas in North America and in EA-MEA
- a positive price/mix effect of +16% including a better price/mix in Oil & Gas in EA-MEA and South America and lower prices in North America
- a currency conversion effect of -8% mainly related to EUR/BRL.

Q4 2020 revenue amounted to €830 million, down 17% compared with Q4 2019 (-5% at constant exchange rate). Volume effect was -22%, price/mix effect +17% and currency conversion effect -13%.

Oil & Gas, Petrochemicals (68% of annual consolidated revenue)

Oil & Gas revenue reached **€2,007 million in 2020, a (€745) million decrease or -27% year-on-year (-22% at constant exchange rates),** reflecting lower revenue in North America and in EA-MEA.

- **In North America**, Oil & Gas large revenue decrease was driven by lower deliveries due to the unprecedented decrease in rig count, as well as by lower prices
- **In EA-MEA**, Oil & Gas revenue decrease reflected lower volumes while high alloy products positively impacted the price/mix
- **In South America**, Oil & Gas revenue strong increase reflected, as forecast, the increase in deliveries of premium OCTG for pre-salt offshore and higher price/mix, partially offset by an unfavorable currency conversion effect.

In Q4 2020, **Oil & Gas revenue totaled €527 million, a (€159) million decrease or -23% year-on-year** (-14% at constant exchange rates).

- **In North America**, Oil & Gas revenue decrease was driven by lower deliveries and prices, although rig count started to recover in Q4.
- **In EA-MEA**, Oil & Gas revenue decrease reflected lower volumes while price/mix was still positively impacted by high alloy products deliveries.
- **In South America**, Oil & Gas revenue was stable, with higher deliveries being offset by an unfavorable currency conversion effect.

In 2020, Petrochemicals revenue was **€200 million, down 31% year-on-year** (-26% at constant exchange rates) notably due to lower deliveries of line pipes in North America as well as pressure on prices.
In Q4 2020, Petrochemicals revenue totaled €39 million, down 49% year-on-year (-42% at constant exchange rates).

In 2020, revenue for Oil & Gas and Petrochemicals amounted to €2,207 million, down 27% compared with 2019 (-23% at constant exchange rates).
In Q4 2020, revenue for Oil & Gas and Petrochemicals totaled €566 million, down 26% compared with 2019 (- 17% at constant exchange rates).

Industry & Other (25% of annual consolidated revenue)

Industry & Other revenue amounted to €826 million in 2020, down 12% year-on-year (+6% at constant exchange rates):

- In Europe, Industry revenue was down reflecting lower volumes and prices.
- In South America, Industry & Other revenue was up, as a result of higher revenue from the iron ore mine reflecting both higher volumes, which reached 7.9Mt (up 26% versus 2019), and prices, and of the overall stability of our sales to the Industry market before unfavorable currency conversion effect.

In Q4 2020, Industry & Other revenue totaled €225 million, up 10% year-on-year (+39% at constant exchange rates), primarily as a result of higher revenue from the mine, and despite lower sales to the Industry market in Europe.

Power Generation (6% of annual consolidated revenue)

Power Generation revenue amounted to €210 million in 2020, up 9% year-on-year (+11% at constant exchange rates), as a result of timing of project deliveries.

The closure of the Reisholz site in Germany, dedicated to coal-fired conventional power plants, is effective since summer 2020.

In Q4 2020, revenue totaled €39 million, up 5% year-on-year (+11% at constant exchange rates) as a result of timing of project deliveries.

II – CONSOLIDATED RESULTS ANALYSIS

Q4 2020 consolidated results analysis

In Q4 2020, EBITDA reached €76 million compared with €94 million in Q4 2019, at 9.2% of revenue versus 9.4% in Q4 2019, as a result of:

- An industrial margin of €157 million, compared with €180 million in Q4 2019, at 18.9% of revenue (versus 17.9%), reflecting the lower activity in Oil & Gas in North America, partially offset by (i) savings, (ii) a higher mine contribution.
- A 14% decrease in sales, general and administrative costs (SG&A) at €75 million or 9.0% of revenues, reflecting strong cost savings.

Operating result was negative at (€495) million, compared with (€9) million in Q4 2019, impacted by an impairment charge of €409 million mainly related to tangible fixed assets in Europe, and higher restructuring provisions (mainly in France and Germany).

Financial result was negative at (€48) million, compared with (€66) million in Q4 2019, reflecting stable net interest expenses together with the positive one-off effect of a favorable decision on a litigation in Brazil for €15 million.

Income tax amounted to (€45) million mainly related to Brazil, compared to (€36) million in Q4 2019.

This resulted in a net loss, Group share, of (€570) million, compared with (€111) million in Q4 2019.

FY 2020 consolidated results analysis

For the full year 2020, EBITDA reached €258 million versus €347 million in 2019, with an EBITDA margin almost stable at 8.0% versus 8.3%, including:

- An industrial margin of €608 million, down €130 million compared with 2019 and up 1.1p.p. of revenue to 18.8%, reflecting primarily lower activity in Oil & Gas in North America, and to a smaller extent in Industry in Europe. This was partially offset by (i) savings, (ii) a higher mine contribution, and (iii) a positive contribution of Oil & Gas in South America, while the impact of lower volumes in O&G EA-MEA was more than offset by high alloy products deliveries.
- Sales, general and administrative costs (SG&A) down 14% at €325 million, reflecting strong savings, and representing 10.0% of revenue.

Operating result decreased by (€985) million to a loss of (€1,002) million, reflecting the impairment charges recorded in Q2 and Q4 for €850 million. These impairment charges related mainly to the goodwill of the North American Cash Generating Unit and to tangible fixed assets in the Europe CGU. They were driven by an increase in discount rates, a lower long term growth rate and the downward revision of long term perspectives in North America O&G as well as in EAMEA O&G and Industry.
Restructuring charges increased by (€116) million and included provisions in Europe (mainly in France and Germany), as well as adaptation plans in North America and Brazil. A lower depreciation of industrial assets was recorded.

Financial result was negative at (€227) million, below 2019 at (€244) million. It included higher interest expenses more than offset by other financial income of which notably the settlement in Q1 of a dispute in Brazil for €22 million and the positive one-off effect of a favorable decision on a litigation in Brazil in Q4 2020 for €15 million.

Income tax amounted to (€96) million, mainly related to Brazil, compared with (€75) million in 2019.

As a result, net loss, Group share, amounted to (€1,206) million, compared with (€338) million in 2019.

III - CASH FLOW & FINANCIAL POSITION

Cash flow from operating activities

In Q4 2020, cash flow from operating activities reached (€18) million, compared to (€14) million in Q4 2019, reflecting mainly the lower EBITDA and higher income taxes paid, partially offset by a favorable change in provisions.
For 2020, cash flow from operating activities was negative at (€146) million compared with (€6) million for 2019, mainly due to the lower EBITDA and to a lesser extent to higher taxes and financial interest cash-out.

Operating working capital requirement

Operating working capital requirement decreased by €178 million in Q4 2020, versus a decrease of €170 million in Q4 2019. Net working capital requirement decreased to an unprecedented low level of 78 days of sales, compared to 95 days in Q4 2019, reflecting major achievements in working capital management.

For 2020, operating working capital requirement decreased by €173 million versus a decrease by €124 million for 2019.

Capex

Capital expenditure was (€48) million in Q4 2020, compared with (€80) million in Q4 2019, and was (€138) million for 2020 compared to (€159) million for 2019, reflecting tight capex monitoring and industrial footprint rationalization.

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Free cash flow

As a result, **in Q4 2020, free cash flow was positive at €112 million** versus €76 million in Q4 2019.
Free cash flow **for 2020 was negative at (€111) million** compared with (€41) million for 2019.

Asset disposals & other items

Asset disposals & other items amounted to €3 million in Q4 2020. For 2020, they amounted to (€72) million as a result mainly of the repayment of leasing debt (IFRS16) for (€31) million, as well as negative currency effects on net debt and cash collateral related to bid and performance bonds.

Net debt and liquidity

As at December 31st 2020, net debt stood at €2,214 million, compared with €2,329 million as at September 30th 2020.
As at December 31st 2020, lease debt stood at €108 million, compared with €112 million as at September 30th 2020.
As at December 31st 2020, cash amounted to €1,390 million.

At the same date, long term debt amounted to €1,751 million and short-term debt to €1,853 million, including €1,712 million drawn from committed banking facilities.

Assets disposal for sale

As at December 31st 2020, €107 million of assets were recorded for sale, and were mainly related to nuclear activities. Vallourec has initiated discussions in connection with a disposal of Valinox Nucléaire SAS. This transaction could take place during the first half of 2021 and is submitted to consultation of the work's councils.

IV – €165m GROSS SAVINGS REALIZED AND ADDITIONAL MEASURES LAUNCHED IN 2020

The €130 million savings target for 2020 was overachieved with €165 million gross savings realized. As a result, the initial 2016-2020 gross savings target of €400 million was largely surpassed to reach €751 million over the period.

In 2020, Vallourec launched costs cutting measures across the Group to face the depressed market situation:

In North America, the workforce was reduced by more than 1/3 (more than 900 positions) across all plants.

In Europe, the Group is pursuing its cost saving initiatives:

- In France, a reduction of c.350 positions in production facilities as well as in support functions, including the closure of Déville heat treatment facility, was announced. The implementation of these measures was submitted to consultation of the work's councils in H1 2021.
- In Germany, the Group has launched additional measures including further headcount reduction with c.200 positions over 2021-2022 and intensive use of short time work before implementation of working time reduction.

In Brazil, a comprehensive action plan resulted, in particular, in a reduction of c.500 positions in support functions in 2020.

V – FINANCIAL RESTRUCTURING

On February 3rd 2021, the Group announced that it reached a major step in its financial restructuring, with an agreement in principle with its main creditors. This agreement meets the Company's objectives to rebalance its capital structure by reducing its debt and to secure the necessary liquidity that will enable it to implement its strategic plan in a volatile market environment. The level of cash on balance sheet (€1,390m as of 31/12/2020) will be unaffected by partial debt repayment under the restructuring.

The agreement in principle contemplates mainly:

- A major deleveraging of €1,800 million, through:
  - €1,331 million capital increase reserved to creditors (other than commercial banks)
  - €300 million rights issue open to existing shareholders, fully backstopped by creditors (other than commercial banks)
  - €169 million debt write-off by commercial banks
- A refinancing of the residual debt over 5-years, through:
  - €462 million RCF
  - €262 million PGE
  - €1,023 million listed bonds
- €178 million market guarantees committed for 5 years

On February, 4th 2021, a safeguard proceeding[1] was opened by the Commercial court of Nanterre in respect of Vallourec SA to allow inter alia the implementation of the agreement in principle. As of February, 12th 2021, the agreement in principle is supported by creditors having signed or adhered to a lock-up agreement and representing 97% of the interest[2] in Vallourec SA's credit facilities and 86% of the bonds issued by Vallourec SA, exceeding the 2/3 majority that will be required at their committees meetings, which are expected to take place in March (lock-up fee and early bird lock up fees to be paid at closing).

The implementation of the agreement in principle should take place at the end of the first semester of 2021, it is subject to customary conditions precedent and will require the approval of the shareholders meeting with a 2/3 majority, which is expected to take place on April, 20th 2021, and of the Commercial Court of Nanterre.

Vallourec's supervisory board decided on February, 16th 2021 to appoint Finexsi as independent expert, on a voluntary basis pursuant to Article 261-3 of the AMF General Regulation. The independent expert will assess the financial conditions of the financial restructuring and issue a report containing a fairness opinion.

[1] Notably entails a stay of payments under RCF and Bonds
[2] Including under sub-participation

VI –2021 OUTLOOK

Oil & Gas

In North America, the OCTG market has started a gradual recovery which should continue during the year and be accompanied by positive price trend, although the start of the year will be impacted by the strong increase of raw material cost.
In EA-MEA, in addition to an overall activity still significantly impacted and prices remaining under pressure, the sharp decline in deliveries of high alloy products will negatively impact revenue and margin. Nevertheless, 2021 resuming tendering activity should impact favorably 2022 activity.
In Brazil, Oil & Gas deliveries are expected to increase compared with 2020, both to Petrobras and IOCs.

Industry & Other

In Europe, demand from Industry will still be impacted by Covid-19 crisis while showing first signs of recovery.
In Brazil, the overall level of activity is expected to continue its recovery.
Volumes of **iron ore** produced in Brazil are targeted broadly stable compared to 2020, as the start-up of the expansion project is expected at the end of 2021. Prices of iron ore delivered to our customers are expected to surpass 2020 level, although gradually decreasing along the year.

Cost savings

Initiatives deployed as part of savings measures will enable the Group to continue to lower its cost base.
A strict cash control will be maintained, with a capex envelope of c.€160 million.

Therefore, based on current view on market conditions, Vallourec targets full year 2021 EBITDA between €250 and 300 million and a Free Cash Flow targeted between (€380) and (€300) million.

Information and Forward-Looking Statements

This press release contains forward-looking statements. These statements include financial forecasts and estimates as well as assumptions on which they are based, statements related to projects, objectives and expectations concerning future operations, products and services or future performance. Although Vallourec's management believes that these forward-looking statements are reasonable, Vallourec cannot guarantee their accuracy or completeness and these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee and generally beyond Vallourec's control, which may mean that the actual results and developments may differ significantly from those expressed, induced or forecasted in the statements. These risks include those developed or identified in the public documents filed by Vallourec with the AMF, including those listed in the "Risk Factors" section of the Universal Registration Document filed with the AMF on March 20th 2020.

Cautionary Statement

This press release does not, and shall not, in any circumstances constitute a public offering or an invitation to the public in connection with any offer.

No communication and no information in respect of this transaction may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction (other than France) where such steps would be required. The issue, the subscription for or the purchase of Vallourec's shares may be subject to specific legal or regulatory restrictions in certain jurisdictions. Vallourec assumes no responsibility for any violation of any such restrictions by any person.

This announcement is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and the Council of June 14, 2017 (as amended or superseded, the "Prospectus Regulation"). No securities offering will be opened to the public in France before the delivery of the visa on a prospectus prepared in compliance with the Prospectus Regulation, as approved by the AMF.

In France, an offer of securities to the public may only be made pursuant to a prospectus approved by the AMF. With respect to the member States of the European Economic Area (each, a "relevant member State"), other than France, no action has been undertaken or will be undertaken to make an offer to the public of the shares requiring a publication of a prospectus in any relevant member State. Consequently, the securities cannot be offered and will not be offered in any member State (other than France), except in accordance with the exemptions set out in Article 1(4) of the Prospectus Regulation, or in the other case which does not require the publication by Vallourec of a prospectus pursuant to the Prospectus Regulation and/or applicable regulation in the member States.

This press release does not constitute an offer of the securities to the public in the United Kingdom. The distribution of this press release is not made, and has not been approved, by an authorized person ("authorized person") within the meaning of Article 21(1) of the Financial Services and Markets Act 2000. As a consequence, this press release is directed only at (x) persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (iii) are high net worth entities falling within Article 49(2) of the Order and (y) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"). The securities are directed only at Relevant Persons and no invitation, offer or agreements to subscribe, purchase or acquire the securities may be proposed or made other than with Relevant Persons. Any person other than a Relevant Person may not act or rely on this document or any provision thereof. This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. Vallourec shares may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Vallourec does not intend to register in the United States any portion of the offering mentioned in this press release or to conduct a public offering of the shares in the United States.

The distribution of this press release in certain countries may constitute a breach of applicable law. The information contained in this press release does not constitute an offer of securities for sale in the United States, Canada, Australia or Japan.

Presentation of Q4 & FY 2020 results

Analyst conference call / audio webcast at 6:30 pm (Paris time) to be held in English.

- To listen to the audio webcast:
  https://channel.royalcast.com/landingpage/vallourec-en/20210217_1/

- To participate in the conference call, please dial (password to use is "Vallourec"):

  - +44 (0) 33 0551 0200 (UK)
  - +33 (0) 1 7037 7166 (France)
  - +1 212 999 6659 (USA)

- Audio webcast replay and slides will be available on the website at:
  https://www.vallourec.com/en/investors

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 17,000 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 SBF 120 index and is eligible for Deferred Settlement Service Long Only.

In the United States, Vallourec has established a sponsored Level 1 American Depositary Receipt (ADR) program (ISIN code: US92023R2094, Ticker: VLOWY). Parity between ADR and a Vallourec ordinary share has been set at 5:1.

Calendar

April 20th 2021	Shareholders' Annual Meeting
May 20th 2021	Release of first quarter results

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Appendices

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Documents accompanying this release:

- Sales volume
- Forex
- Revenue by geographic region
- Revenue by market
- Summary consolidated income statement
- Summary consolidated balance sheet
- Banking covenant
- Free cash flow
- Cash flow statement
- Definitions of non-GAAP financial data

Sales volume

In thousands of tons	**2020**	**2019**	Change
Q1	450	571	-21.2%
Q2	422	605	- 30.2 %
Q3	319	595	- 46.4 %
Q4	408	520	- 21.5 %
Total	**1,599**	**2,291**	**- 30.2 %**

Forex

Average exchange rate	**2020**	**2019**
EUR / USD	1.14	1.12
EUR / BRL	5.90	4.41
USD / BRL	5.16	3.94

Revenue by geographic region

In € million	2020	As % of revenue	2019	As % of revenue	Change	Q4 2020	As % of revenue	Q4 2019	As % of revenue	Change
Europe	533	16.4%	595	14.3%	-10.4%	126	15.2%	138	13.7%	-8.7%
North America (Nafta)	719	22.2%	1,215	29.1%	-40.8%	138	16.6%	234	23.3%	-41.0%
South America	756	23.3%	702	16.8%	7.7%	225	27.1%	194	19.3%	16.0%
Asia and Middle East	900	27.8%	1,222	29.3%	-26.4%	236	28.4%	339	33.8%	-30.4%
Rest of the world	334	10.3%	439	10.5%	-23.9%	106	12.8%	99	9.9%	7.1%
Total	**3,242**	**100%**	**4,173**	**100%**	**-22.3%**	**830**	**100%**	**1,004**	**100%**	**-17.3%**

Revenue by market

2020	As % of revenue	2019	As % of revenue	Change	*In € million*	Q4 2020	As % of revenue	Q4 2019	As % of revenue	Variation
2,007	61.9%	2,752	65.9%	-27.1%	Oil & Gas	527	63.5%	686	68.3%	-23.2%
200	6.2%	290	7.0%	-31.0%	Petrochemicals	39	4.7%	76	7.6%	-48.7%
2,207	**68.1%**	**3,042**	**72.9%**	**-27.4%**	**Oil & Gas, Petrochemicals**	**566**	**68.2%**	**762**	**75.9%**	**-25.7%**
296	9.1%	368	8.8%	-19.6%	Mechanicals	77	9.3%	77	7.7%	-
59	1.8%	115	2.8%	-48.7%	Automotive	19	2.3%	23	2.3%	-17.4%
471	14.5%	456	10.9%	3.3%	Construction & Other	130	15.7%	105	10.4%	23.8%
826	**25.5%**	**939**	**22.5%**	**-12.0%**	**Industry & Other**	**225**	**27.1%**	**205**	**20.4%**	**9.8%**
210	**6.5%**	**192**	**4.6%**	**9.4%**	**Power Generation**	**39**	**4.7%**	**37**	**3.7%**	**5.4%**
3,242	**100%**	**4,173**	**100%**	**-22.3%**	**Total**	**830**	**100%**	**1,004**	**100%**	**-17.3%**

Summary consolidated income statement

2020	2019	Change	*In € million*	Q4 2020	Q4 2019	Change
3,242	**4,173**	-22.3%	**Revenue**	**830**	**1,004**	-17.3%
(2,635)	**(3,435)**	-23.3%	Cost of sales	**(674)**	**(824)**	-18.2%
608	**738**	-17.6%	**Industrial Margin**	**157**	**180**	-12.8%
18.8%	*17.7%*	*+1.1p.p.*	*(as a % of revenue)*	*18.9%*	*17.9%*	*+1.0p.p.*
(325)	(378)	-14.0%	Sales, general and administrative costs	(75)	(87)	-13.8%
(25)	(13)	na	Other	(6)	1	na
258	**347**	-€89m	**EBITDA**	**76**	**94**	-€18m
8.0%	*8.3%*	*-0.3p.p.*	*(as a % of revenue)*	*9.2%*	*9.4%*	*-0.2p.p.*
(213)	(249)	-14.5%	Depreciation of industrial assets	(55)	(66)	-16.7%
(54)	(58)	na	Amortization and other depreciation	(17)	(14)	na
(850)	(30)	na	Impairment of assets	(409)	-	na
(143)	(27)	na	Asset disposals, restructuring costs and non-recurring items	(90)	(23)	na
(1,002)	**(17)**	-€985m	**Operating income (loss)**	**(495)**	**(9)**	-€486m
(227)	(244)	-7.0%	Financial income/(loss)	(48)	(66)	-27.3%
(1,229)	**(261)**	-€968m	**Pre-tax income (loss)**	**(543)**	**(75)**	-€468m
(96)	(75)	na	Income tax	(45)	(36)	na
(3)	(4)	na	Share in net income/(loss) of equity affiliates	(1)	(2)	na
(1,328)	**(340)**	-€988m	**Net income**	**(589)**	**(113)**	-€476m
(122)	(2)	na	Attributable to non-controlling interests	(19)	(2)	na
(1,206)	**(338)**	-€868m	**Net income, Group share**	**(570)**	**(111)**	-€459m
(105.4)	**(0.7)**	na	**Net earnings per share (in €) ***	**(49.8)**	**(0.2)**	na

na = not applicable
** FY 2020 and Q4 2020 figures impacted by the new number of shares following reverse stock split effective on May 25th 2020.*

Summary consolidated balance sheet

In € million

Assets	12/31/2020	12/31/2019	Liabilities	12/31/2020	12/31/2019
			Equity - Group share *	(187)	1,467
			Non-controlling interests	321	513
Net intangible assets	50	63	**Total equity**	**134**	**1,980**
Goodwill	25	364	**Shareholder loan**	**9**	**21**
Net property, plant and equipment	1,718	2,642	Bank loans and other borrowings (A)	1,751	1,747
Biological assets	30	62	Lease debt (D)	84	104
Equity affiliates	42	129	Employee benefit commitments	203	228
Other non-current assets	128	132	Deferred taxes	20	9
Deferred taxes	187	249	Provisions and other long-term liabilities	142	61
Total non-current assets	**2,180**	**3,641**	**Total non-current liabilities**	**2,200**	**2,149**
Inventories	664	988	Provisions	104	121
Trade and other receivables	468	638	Overdraft and other short-term borrowings (B)	1,853	2,077
Derivatives - assets	37	7	Lease debt (E)	24	30
Other current assets	203	237	Trade payables	426	580
Cash and cash equivalents (C)	1,390	1,794	Derivatives - liabilities	21	18
			Other current liabilities	241	329
Total current assets	**2,762**	**3,664**	**Total current liabilities**	**2,669**	**3,155**
Assets held for sale and discontinued operations	107	(0)	Liabilities held for sale and discontinued operations	37	0
Total assets	**5,049**	**7,305**	**Total equity and liabilities**	**5,049**	**7,305**

*** Net income (loss), Group share**	**(1,206)**	**(338)**
Net debt (A+B-C)	**2,214**	**2,031**
Lease debt (D+E)	**108**	**134**

Free cash flow

2020	2019	Change	*In € million*	Q4 2020	Q4 2019	Change
(146)	(6)	-€140m	Cash flow from operating activities (A)	(18)	(14)	-€4m
173	124	+€49m	Change in operating WCR [+ decrease, (increase)] (B)	178	170	+€8m
(138)	(159)	+€21m	Gross capital expenditure (C)	(48)	(80)	+€32m
(111)	**(41)**	**-€70m**	**Free cash flow (A)+(B)+(C)**	**112**	**76**	**+€36m**

Cash flow statement

2020	2019	*In € million*	Q4 2020	Q4 2019
(146)	(6)	Cash flow from operating activities	(18)	(14)
173	124	Change in operating WCR [+ decrease, (increase)]	178	170
27	118	Net cash flow from operating activities	160	156
(138)	(159)	Gross capital expenditure	(48)	(80)
(72)	9	Asset disposals & other items	3	(3)
(183)	(32)	Change in net debt [+ decrease, (increase)]	115	73
2,214	**2,031**	**Financial net debt (end of period)**	**2,214**	**2,031**

Definitions of non-GAAP financial data

Data at constant exchange rates: the data presented « at constant exchange rates » is calculated by eliminating the translation effect into euros for the revenue of the Group's entities whose functional currency is not the euro. The translation effect is eliminated by applying Year N-1 exchange rates to Year N revenue of the contemplated entities.

Free cash flow: Free cash-flow (FCF) is defined as cash flow from operating activities minus gross capital expenditure and plus/minus change in operating working capital requirement.

Gross capital expenditure: gross capital expenditure is defined as the sum of cash outflows for acquisitions of property, plant and equipment and intangible assets and cash outflows for acquisitions of biological assets.

Industrial margin: the industrial margin is defined as the difference between revenue and cost of sales (i.e. after allocation of industrial variable costs and industrial fixed costs), before depreciation.

Lease debt: defined as the present value of unavoidable future lease payments

Net debt: consolidated net debt is defined as Bank loans and other borrowings plus Overdrafts and other short-term borrowings minus Cash and cash equivalents. Net debt excludes lease debt.

Net working capital requirement: defined as working capital requirement net of provisions for inventories and trade receivables; net working capital requirement days are computed on an annualized quarterly sales basis.

Operating working capital requirement: includes working capital requirement as well as other receivables and payables.

Working capital requirement: defined as trade receivables plus inventories minus trade payables (excluding provisions).