vallourec

Press release

Vallourec reports second quarter and first half 2018 results

- Revenue of €1,844 million in H1 2018 up 7.5% year-on-year (+17.6% at constant exchange rates) driven by the positive momentum on the Oil & Gas market
- EBITDA of +€18 million in H1 2018, improved by €36 million year-on-year
- Confirmation that H2 2018 EBITDA is targeted to be significantly higher than H1, notably supported by higher prices in the US and deliveries on international Oil & Gas markets

Boulogne-Billancourt (France), 25 July 2018 – Vallourec, a world leader in premium tubular solutions, today announces its results for the second quarter and first half of 2018. The consolidated financial statements were presented by Vallourec's Management Board to its Supervisory Board on 24 July 2018.

Key figures

H1 2018	H1 2017	Change YoY	*In millions of euros*	Q2 2018	Q2 2017	Change YoY
1,087	**1,013**	*7.3%*	**Sales Volume (k tons)**	**572**	**538**	*6.3%*
1,844	**1,716**	*7.5%*	**Revenue**	**982**	**933**	*5.3%*
18	**(18)**	*+€36m*	**EBITDA**	**23**	**3**	*+€20m*
1.0%	*-1.0%*	*+2.0pts*	*As % of revenues*	*2.3%*	*0.3%*	*+2.0pts*
(307)	**(254)**	*-€53m*	**Net income (loss), Group share**	**(137)**	**(128)**	*-€9m*
(418)	**(325)**	*-€93m*	**Free cash flow**	**(164)**	**(105)**	*-€59m*
30 June 2018	**31 Dec. 2017**	**Change over the period**	*In millions of euros*	**30 June 2018**	**31 Mar. 2018**	**Change over the period**
1,934	**1,542**	*+€392m*	**Net debt**	**1,934**	**1,783**	*+€151m*

Commenting on these results, Philippe Crouzet, Chairman of the Management Board, said:

"The increase in Vallourec's H1 2018 revenue and EBITDA was driven by the positive momentum on the US Oil & Gas market. It allows Vallourec to take advantage of its fully integrated US manufacturing facilities and to pass on as planned significant price increase on OCTG products, coming into force in the third quarter. Oil and Gas International markets also show positive signs of improving activity. Higher bookings in the EA and MEA[1] regions will benefit Vallourec's deliveries from the second part of this year on. In Brazil, we are starting to execute our new long-term contracts with Petrobras and are ideally positioned to capture opportunities which will come from the opening of the Brazilian pre-salt fields to IOCs.

Going forward, we are focused on three pillars which will continue to improve EBITDA. First, the continued improvement in our competitiveness through the implementation of our Transformation Plan, which will again generate significant cost reductions. Secondly, ensuring we benefit from the improvements in volumes and prices in our main markets. Lastly, the opportunities which come from our new competitive routes in China and Brazil have already generated, and will continue to generate commercial successes in all regions. Vallourec remains very focused on its objective of returning to cash flow positive as soon as possible.

[1] EA-MEA: Europe, Africa, Middle-East and Asia

Information
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Quarterly financial statements are unaudited and not subject to any review.
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Taking into account the gradual recovery in our main markets and the continued progress in our Transformation Plan, we confirm our positive outlook for the year with EBITDA in the second half of 2018 targeted to be significantly higher than in the first half."

I - CONSOLIDATED REVENUE BY MARKET

H1 2018	H1 2017	Change YoY	*Change YoY at constant exchange rates*	*In millions of euros*	Q2 2018	Q2 2017	Change YoY	*Change YoY at constant exchange rates*
1,285	1,178	*9.1%*	*21.1%*	Oil & Gas, Petrochemicals	701	645	*8.7%*	*18.6%*
180	189	*-4.8%*	*-3.2%*	Power Generation	82	105	*-21.9%*	*-21.0%*
379	349	*8.6%*	*16.9%*	Industry & Other	199	183	*8.7%*	*16.4%*
1,844	**1,716**	***7.5%***	***17.6%***	**Total**	**982**	**933**	***5.3%***	***13.8%***

Over the first half of 2018, Vallourec recorded revenue of €1,844 million, up 7.5% compared with the first half of 2017 mainly driven by a positive volume impact of +7.3%, a price/mix effect of +10.3% essentially in the US, partly offset by a negative currency impact of -10.1%.

Q2 2018 revenue of €982 million was up 5.3% compared with Q2 2017, with a positive volume impact of +6.3%, price/mix effect of +7.5%, partly offset by a negative currency impact of -8.5%. This is mainly due to the positive impact of US volume and price increases, along with general improved market conditions.

Sequentially, Q2 2018 Group revenue was up 13.9% compared with Q1 2018, mainly driven by Oil & Gas, bearing in mind that seasonality effects are traditionally reflected in Q1 revenue.

Oil & Gas, Petrochemicals (69.7% of consolidated revenue)

Oil & Gas revenue reached €1,106 million in H1 2018, up 3.5% year on year (+15.2% at constant exchange rates).

- **In North America,** Oil & Gas revenue increased year-on-year, despite a negative forex effect: the higher demand for tubes was supported by much higher drilling activity (the average active rig count in the US rose by 23% YoY) and OCTG prices were raised in the second half of 2017. As from H2 2018, Vallourec has passed as planned significant OCTG price increases.

- **In the EA and MEA regions**, Oil & Gas volumes were up year-on-year, along with increased prices notably in the Middle-East and South East Asia, partly offset by (i) a negative forex translation impact and (ii) a different product mix on some deliveries. Overall, tendering activity continues to increase in these regions as anticipated.

- **In Brazil**, Oil & Gas revenue was slightly down compared to H1 2017. Higher volumes were mainly offset by the weakening of the Brazilian Real. In April 2018, Vallourec reinforced its unique long-standing relationship with Petrobras by signing new long-term contracts for the supply of a comprehensive range of premium products and services.

Petrochemicals revenue was €179 million in H1 2018, up 64.2% year-on-year (+79.8% at constant exchange rates) driven by the recovery in the US.

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Power Generation (9.8% of consolidated revenue)

Power Generation revenue amounted to €180 million in H1 2018, down 4.8% year-on-year, (-3.2% at constant exchange rates).

This decrease was essentially due to lower sales in nuclear, while conventional power generation revenue was slightly up.

Industry & Other (20.5% of consolidated revenue)

Industry & Other revenue amounted to €379 million in H1 2018, up 8.6% year-on-year (+16.9% at constant exchange rates).

- **In Europe,** it was up essentially driven by higher prices in Mechanical Engineering and Automotive applications.
- **In Brazil,** Industry & Other revenue increased essentially as a result of higher volumes in Mechanical Engineering and Automotive applications driven by a recovery in the Brazilian economy. Revenue from the mine was down as a result of lower iron ore market prices.

II - CONSOLIDATED RESULTS ANALYSIS

Q2 2018 consolidated results analysis

In Q2 2018, EBITDA stood at €23 million.

Q2 2018 EBITDA improved €20 million compared to €3 million EBITDA in Q2 2017 thanks to:

- Consolidated revenue up 5.3% year-on-year;
- An industrial margin of €130 million up €18 million compared with Q2 2017. As a percentage of revenue it improved from 12.0% to 13.2%, reflecting (i) higher activity (ii) savings resulting from the Transformation plan, (iii) partially offset by the increase in raw material prices and unfavorable currencies evolution;
- Sales, general and administrative costs (SG&A) down 8.3% at €99 million, representing 10.1% of revenue compared with 11.6% in Q2 2017.

As a reminder, Q2 2017 EBITDA included net reversals in provisions for €21 million, compared to €6 million in Q2 2018. Net of these effects, EBITDA improved by €35 million.

Operating result was a loss of €75 million, compared to a loss of €78 million in Q2 2017. Q2 2018 operating result includes a negative €24 million of "asset disposal, restructuring and other" mainly related to the restructuring measures undertaken in Europe and the divestiture of the two remaining French Drilling Products entities.

Financial result was negative at -€62 million versus -€58 million in Q2 2017, resulting mainly from higher interest charges over the period.

Income tax was nil in Q2 2018 compared to -€1 million in Q2 2017.

The share attributable to non-controlling interests amounted to -€1 million, compared to €10 million in Q2 2017.

This resulted in a net loss of €137 million, compared to a loss of €128 million in Q2 2017.

H1 2018 consolidated results analysis

For the first half of the year, EBITDA stood at €18 million.

H1 2018 EBITDA improved €36 million compared to -€18 million in H1 2017 with:

- Consolidated revenue up 7.5% compared with H1 2017;
- An industrial margin of €233 million, up €20 million compared with H1 2017, reflecting (i) higher activity, (ii) the savings resulting from the Transformation Plan initiatives, (iii) partially offset by the increase in raw material prices and unfavorable currencies evolution;
- Sales, general and administrative costs (SG&A) of €200 million, down 9.5% compared with H1 2017, now representing 10.8% of revenue compared with 12.9% in H1 2017. This significant improvement mainly reflects savings from the Transformation Plan.

Excluding changes in provisions, H1 2018 EBITDA improved €44 million compared to H1 2017, with net reversal of €14 million in H1 2018 and €22 million in H1 2017.

Operating result was a loss of €205 million, compared to a loss of €189 million in H1 2017. H1 2018 operating result includes €57 million of "asset disposal, restructuring and other" mainly related to restructuring measures undertaken in Europe and the divestiture of the two remaining French Drilling Products entities.

Financial result was negative at -€105 million versus -€101 million in H1 2017. In H1 2018, Vallourec recorded higher interest charges as a result of the recent OCEANE and bond issuances. As a reminder, H1 2017 financial result included a loss of €13 million related to the change in fair value of Vallourec's NSSMC shares.

Income tax was nil in H1 2018, compared to a gain of €18 million in H1 2017. Tax gains were reduced compared to H1 2017 mainly as a consequence of the results recovery in North America.

The share attributable to non-controlling interests amounted to €2 million in H1 2018, compared to €21 million in H1 2017.

This resulted in a net loss, Group share of -€307 million in H1 2018, compared to -€254 million in H1 2017.

III - CASH FLOW, FINANCIAL POSITION AND LIQUIDITY

Vallourec generated a negative free cash flow of -€418 million in H1 2018 compared to -€325 million in H1 2017. This is mainly explained by:

- Cash flow from operating activities at -€144 million compared with -€160 million in H1 2017. The better EBITDA was partly offset by higher financial interests and taxes paid over the period;
- Change in working capital requirement of -€236 million compared to -€104 million in H1 2017. Its increase was driven by a seasonal effect, higher activity to prepare for H2 2018 deliveries, and momentary increased inventories induced by quotas from Section 232. Despite these effects, it was stable in number of days compared to Q2 2017. Working capital is targeted to decrease in the second half of the year;
- Continuation of efficient discipline in managing capital expenditure, which stood at -€38 million, compared to -€61 million in H1 2017.

As a consequence, as at 30 June 2018, Group net debt stood at €1,934 million compared to €1,542 as of 31 December 2017.

Vallourec continues to benefit from a strong liquidity position. Its cash position as at 30 June 2018 amounted to €0.9 billion. Medium and long-term undrawn committed facilities amounted to €2.2 billion. At the same date, short-term debt amounted to €0.7 billion, including €0.3 billion of commercial paper.

Vallourec reinforced its liquidity beginning of April 2018 by raising €400 million senior notes due 2023. The proceeds from the offering will be used, together with cash on hand, to refinance Vallourec's outstanding bonds due August 2019 by redeeming them when they mature.

IV – TRANSFORMATION PLAN

Vallourec continues to deploy its Transformation Plan which generated €52 million gross savings in H1 2018.

In April 2018, Vallourec closed the sale of the main part of its Drilling Products business to NOV, and the divestiture of Vallourec Fittings, a subsidiary producing seamless fittings in France.

The two French Drilling Products entities in Cosne-Cours-sur-Loire (Bourgogne-Franche Comté) and in Tarbes (Occitanie) that were undergoing an independent divestment process were subsequently taken over by Altifort.

The blast furnace and steel production facilities in Belo Horizonte, Brazil, were shut down as planned mid-July.

The small tube finishing line in Saint-Saulve dedicated to conventional power plants will be closed by the end of 2018.

Lastly the Group is also continuing the deployment of its most competitive manufacturing routes, in particular VSB and Tianda, whose industrial and commercial integration is progressing well, thereby enhancing the competitiveness of its global offer.

V - MARKET TRENDS & 2018 OUTLOOK

Vallourec confirms its market outlook for Oil & Gas: stabilised oil prices, continued depletion, and sustained hydrocarbon demand are expected to continue to support oil and gas companies' increasing global activity.

In the U.S., demand for tubular products is expected to stay strong due to the continuous robust drilling activity, and Vallourec will benefit from OCTG price increases realized as of the beginning of H2 2018. In addition, Section 232 measures should eventually tighten the US OCTG market, on which Vallourec is primarily serving its customers from its domestic facilities; the Group is actively working on debottlenecking its US finishing capacities to fully utilize its local rolling capacity, and in the meantime adapting its production routes to Section 232 measures, which are impacting imports to the US from Brazil.

In Brazil, drilling activity is expected to remain stable. The new long-term contracts signed with Petrobras have entered into force this summer.

In the rest of the world, Vallourec continues to anticipate higher Oil & Gas deliveries in H2 2018.

Macroeconomics should continue to benefit our Industry & Other operations.
Power Generation revenue is expected to be impacted by a diminishing number of conventional power plant projects, particularly in Asia.

Despite unfavorable currencies and raw material prices faced in H1, which are currently stabilized, Vallourec confirms its positive outlook for the full year based on the progressive recovery of its main markets and the continuous significant savings generated by its Transformation Plan. The Group targets 2018 EBITDA to improve versus 2017, with H2 2018 significantly higher than H1.

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 Registration Document filed with the AMF on 21 March 2018.

Presentation of Q2 and H1 2018 financial results

Analyst conference call / audio webcast at 6:00 pm (Paris time) to be held in English.

- To listen to the audio webcast: https://edge.media-server.com/m6/go/Vallourec18Q2

- To participate in the conference call, please dial :
  +44 (0)330 336 9411 (UK),
  +33 (0)1 76 77 22 57 (France),
  +1 929-477-0448 (USA),
  +44 (0)330 336 9411 (Other countries)
  Conference code: 2365836

- Audio webcast and slides will be available on the website at:
  http://www.vallourec.com/EN/GROUP/FINANCE

Calendar

15 November 2018	Release of third quarter and first nine months 2018 financial results

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 19,500 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: FR0000120354, Ticker VK) and eligible for the Deferred Settlement System (SRD), Vallourec is included in the following indices: SBF 120 and Next 150.

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.

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Appendices

Documents accompanying this release:

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

Sales volume

In thousands of tons	2018	2017	Change YoY
Q1	**515**	475	*8.4%*
Q2	**572**	538	*6.3%*
Q3		588	
Q4		655	
Total	**1,087**	**2,256**	

Forex

Average exchange rate	H1 2018	H1 2017
EUR / USD	1.21	1.08
EUR / BRL	4.14	3.44
USD / BRL	3.42	3.18

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Revenue by geographic region

In millions of euros	H1 2018	*As % of revenues*	H1 2017	*As % of revenues*	*Change YoY*
Europe	**295**	*16.0%*	280	*16.3%*	*5.4%*
North America	**604**	*32.8%*	414	*24.1%*	*45.9%*
South America	**317**	*17.2%*	315	*18.4%*	*0.6%*
Asia & Middle East	**527**	*28.6%*	558	*32.5%*	*-5.6%*
Rest of World	**101**	*5.4%*	149	*8.7%*	*-32.2%*
Total	**1,844**	*100.0%*	**1,716**	***100.0%***	***7.5%***

Revenue by market

H1 2018	*As % of revenues*	H1 2017	*As % of revenues*	*Change YoY*	*In millions of euros*	Q2 2018	*As % of revenues*	Q2 2017	*As % of revenues*	Change YoY
1,106	*60.0%*	1,069	*62.3%*	*3.5%*	Oil & Gas	615	*62.6%*	584	*62.6%*	*5.3%*
179	*9.7%*	109	*6.4%*	*64.2%*	Petrochemicals	86	*8.8%*	61	*6.5%*	*41.0%*
1,285	***69.7%***	**1,178**	***68.7%***	***9.1%***	**Oil & Gas, Petrochemicals**	**701**	***71.4%***	**645**	***69.1%***	***8.7%***
180	***9.8%***	**189**	***11.0%***	***-4.8%***	**Power Generation**	**82**	***8.3%***	**105**	***11.3%***	***-21.9%***
203	*11.0%*	155	*9.0%*	*31.0%*	Mechanicals	110	*11.2%*	83	*8.9%*	*32.5%*
78	*4.2%*	70	*4.1%*	*11,4%*	Automotive	40	*4.1%*	37	*4.0%*	*8.1%*
98	*5.3%*	124	*7.2%*	*-21.0%*	Construction & Other	49	*5.0%*	63	*6.7%*	*-22.2%*
379	***20.5%***	**349**	***20.3%***	***8.6%***	**Industry & Other**	**199**	***20.3%***	**183**	***19.6%***	***8.7%***
1,844	***100.0%***	**1,716**	***100.0%***	***7.5%***	**Total**	**982**	***100.0%***	**933**	***100.0%***	***5.3%***

Summary consolidated income statement

H1 2018	H1 2017	Change YoY	*In millions of euros*	Q2 2018	Q2 2017	Change YoY
1,844	**1,716**	*7.5%*	**REVENUE**	**982**	**933**	*5.3%*
(1,611)	(1,503)	*7.2%*	Cost of sales(1)	(852)	(821)	*3.8%*
233	**213**	*9.4%*	***Industrial margin***	**130**	**112**	*16.1%*
12.6%	*12.4%*	*0.2pt*	*(as % of revenue)*	*13.2%*	*12.0%*	*1.2pt*
(200)	(221)	*-9.5%*	SG&A costs(1)	(99)	(108)	*-8,3%*
(15)	(10)	*na*	Other income (expense), net	(8)	(1)	*na*
18	**(18)**	*+€36m*	**EBITDA**	**23**	**3**	*+€20m*
1.0%	*-1.0%*	*+2.0pts*	*EBITDA as % of revenue*	*2.3%*	*0.3%*	*+2.0pts*
(134)	(151)	*-11.3%*	Depreciation of industrial assets	(64)	(72)	*-11.1%*
(19)	(23)	*na*	Amortization and other depreciation	(10)	(12)	*na*
(13)	-	*na*	Impairment of assets	-	-	*na*
(57)	3	*na*	Asset disposals, restructuring and other	(24)	3	*na*
(205)	**(189)**	*-€16m*	**OPERATING INCOME (LOSS)**	**(75)**	**(78)**	*+€3m*
(105)	(101)	*4.0%*	Financial income (loss)	(62)	(58)	*6.9%*
(310)	**(290)**	*-€20m*	**PRE-TAX INCOME (LOSS)**	**(137)**	**(136)**	*-€1m*
-	18	*na*	Income tax	-	(1)	*na*
1	(3)	*na*	Share in net income (loss) of associates	1	(1)	*na*
(309)	**(275)**	*-€34m*	**NET INCOME (LOSS) FOR THE CONSOLIDATED ENTITY**	**(136)**	**(138)**	*+€2m*
2	21	*na*	Non-controlling interests	(1)	10	*na*
(307)	**(254)**	*-€53m*	**NET INCOME (LOSS), GROUP SHARE**	**(137)**	**(128)**	*-€9m*
(0.7)	**(0.6)**	*-€0.1*	**EARNINGS PER SHARE (in €)**	**(0.3)**	**(0.3)**	*na*

(1) Before depreciation and amortization
na: not applicable

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Summary consolidated balance sheet

In millions of euros					
Assets	**30-June 2018**	**31-Dec 2017**	**Liabilities**	**30-June 2018**	**31-Dec 2017**
			Equity, Group share	1,983	2,426
Net intangible assets	79	89	Non-controlling interests	447	459
Goodwill	353	348	**Total equity**	**2,430**	**2,885**
Net property, plant and equipment	2,767	2,977	Shareholder loan	66	72
Biological assets	66	71	Bank loans and other borrowings (A)	2,197	1,817
Associates	104	102	Employee benefits	192	209
Other non-current assets	141	137	Deferred tax liabilities	15	18
Deferred tax assets	227	242	Provisions and other long-term liabilities	54	61
Total non-current assets	**3,737**	**3,966**	**Total non-current liabilities**	**2,458**	**2,105**
Inventories and work-in-progress	1,137	1,004	Provisions	158	149
Trade and other receivables	660	568	Overdrafts and other short-term borrowings (B)	656	746
Derivatives - assets	4	32	Trade payables	575	582
Other current assets	229	231	Derivatives - liabilities	29	13
Cash and cash equivalents (C)	919	1,021	Tax and other current liabilities	310	321
Total current assets	**2,949**	**2,856**	**Total current liabilities**	**1,728**	**1,811**
Assets held for sale	9	64	Liabilities disposal for sale	13	13
TOTAL ASSETS	**6,695**	**6,886**	**TOTAL EQUITY AND LIABILITIES**	**6,695**	**6,886**
Net debt (A+B-C)	**1,934**	**1,542**	**Net income (loss), Group share**	**(307)**	**(537)**

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Cash flow statement

H1 2018	H1 2017	*In millions of euros*	Q2 2018	Q2 2017	Q1 2018
(144)	(160)	Cash flow from operating activities	(61)	(78)	(83)
(236)	(104)	Change in operating WCR *+ decrease, (increase)*	(84)	-	(152)
(380)	**(264)**	**Net cash flow from operating activities**	**(145)**	**(78)**	**(235)**
(38)	(61)	Gross capital expenditure	(19)	(27)	(19)
-	-	Financial investments	-	-	-
-	-	Increase and decrease in equity	-	-	-
-	-	Impact of acquisition	-	-	-
-	-	Dividends paid	-	-	-
26	(1)	Asset disposals & other items	13	25	13
(392)	**(326)**	**Change in net debt** ***+ decrease, (increase)***	**(151)**	**(80)**	**(241)**
1,934	1,613	Net debt (end of period)	1,934	1,613	1,783

Free cash flow

H1 2018	H1 2017	Change (in € million)	*In millions of euros*	Q2 2018	Q2 2017	Change (in € million)
(144)	(160)	+16	Cash flow from operating activities (FFO) **(A)**	(61)	(78)	+17
(236)	(104)	-132	Change in operating WCR **(B)** *[+ decrease, (increase)]*	(84)	-	-84
(38)	(61)	+23	Gross capital expenditure **(C)**	(19)	(27)	+8
(418)	**(325)**	**-93**	**Free cash flow (A)+(B)+(C)**	**(164)**	**(105)**	**-59**

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Definitions of non-GAAP financial data

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.

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.

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.

Consolidated 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.

Banking Covenant: As defined in the bank loan agreements, the "banking covenant" ratio is the ratio of the Group's consolidated net debt to the Group's equity, restated for gains and losses on derivatives and for remeasurements (foreign currency gains and losses of consolidated subsidiaries).

Data at constant exchange rate: The data presented « at constant exchange rate » 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.