First Quarter 2023 Results

May 17th, 2023

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Forward-Looking Statements

This presentation includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms as “believe”, “expect”, “anticipate”, “may”, “assume”, “plan”, “intend”, “will”, “should”, “estimate”, “risk” and or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, Vallourec’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which they operate. Readers are cautioned that forward-looking statements are not guarantees of future performance and that Vallourec’s or any of its affiliates’ actual results of operations, financial condition and liquidity, and the development of the industries in which they operate may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if Vallourec’s or any of its affiliates’ results of operations, financial condition and liquidity, and the development of the industries in which they operate are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risks include those developed or identified in the public documents filed by Vallourec with the French Financial Markets Authority (Autorité des marches financiers, or “AMF”), including those listed in the “Risk Factors” section of the Registration Document filed with the AMF on April 17, 2023, under filing number n° D.23-0293.

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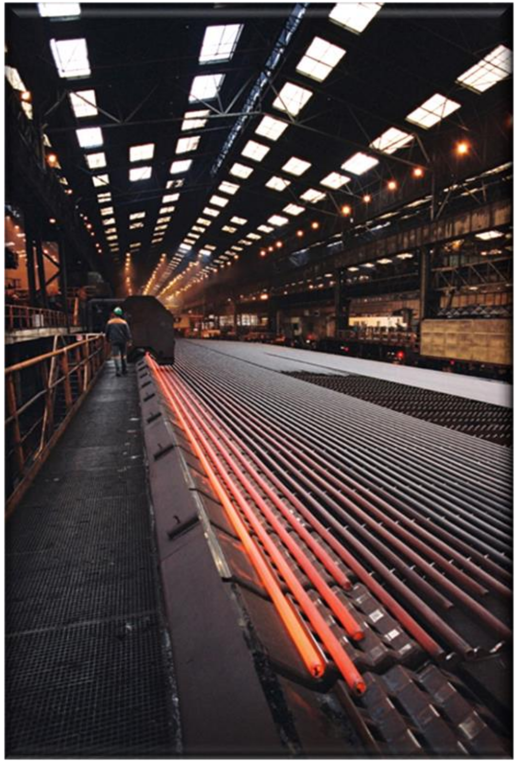
Information

Quarterly statements are unaudited and not subject to any review. Audit procedures have been carried out for the full year consolidated financial statements.

Unless otherwise specified, indicated variations are expressed in comparison with the same period of the previous year.

TODAY'S AGENDA



1. Q1 2023 Highlights
2. New Vallourec Plan Update
3. Market & Commercial Environment
4. Q1 2023 Results Review
5. Q2 and FY 2023 Outlook and Key Takeaways

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Q1 2023 HIGHLIGHTS

FIRST QUARTER 2023 HIGHLIGHTS

Earnings Highlights	➢ **EBITDA of €320m (up €275m YoY [(a)]) driven by robust Tubes profitability and Mine volume recovery** • Tubes EBITDA of €279m (up €223m YoY) supported by 28% YoY average selling price increase • Mine & Forest EBITDA of €48m (up €46m YoY) aided by ~1.4m tonne YoY volume recovery ➢ **Adjusted free cash flow of €194m, free cash flow [(b)] of €147m** • €404m YoY improvement in adjusted free cash flow driven largely by substantial EBITDA growth ➢ **Net debt reduced by €130m to €1 billion** ➢ **Reiterate 2023 objectives for EBITDA, FCF and net debt reduction**
Commercial & Operational Updates	➢ **Customer demand remains strong:** Solid Q1 order intake driven by Middle East National Oil Companies and other Eastern Hemisphere customers ➢ **Aggregate price trend on Tubes orders remains favorable:** International pricing continues to move higher due to sustained demand growth, offsetting moderate sequential decline in U.S. pricing ➢ **Major capex program** underway in Brazil to enhance our product offering and enable the transfer of Oil & Gas production from Germany as part of the New Vallourec plan ➢ **Mine to return to full production in Q2 2023** following waste pile release
Other Items	➢ **Continued progress in our ESG journey:** key ratings upgrades by CDP and Ecovadis complement our excellent performance vs. our Scope 1, 2 and 3 emissions targets ➢ **Recognized for reducing leverage and costs:** S&P Global upgraded Vallourec’s long-term issuer rating to ‘BB-’ from ‘B+’ with a positive outlook

(a) YoY = “year-over-year”
(b) Aligned with historical definition of free cash flow (“FCF”). Please see “Definitions of Non-GAAP Financial Data” in the Appendix

FURTHERING OUR ESG ADVANTAGE

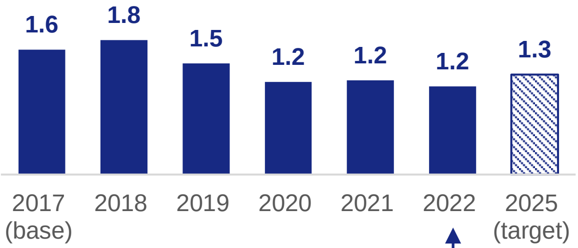
UPGRADES IN OUR EXTERNAL RATINGS

CDP	2021		2022
Climate	A-	→	A-
Water	B	→	A-
Forest	C	→	B-

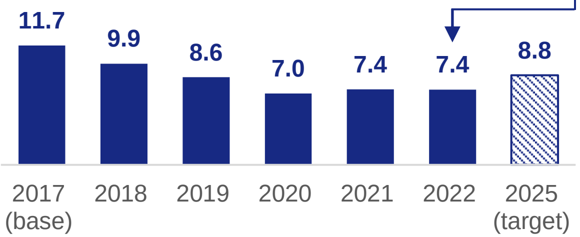
EcoVadis: GOLD 2019 ecovadis CSR Rating → PLATINUM Top 1% 2023 ecovadis Sustainability Rating

PROGRESS IN OUR EMISSIONS REDUCTION PLANS*

Million tonnes CO_2e emissions (Scope 1+2)



Million tonnes CO_2e emissions (full Scope 3)



Further reduction ahead due to volume transfer from Germany to Brazil (30% reduction in per-tonne CO_2e intensity)

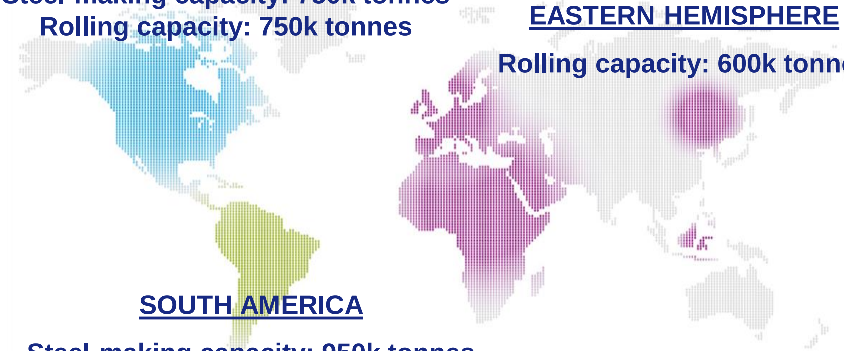
Vallourec remains an industry leader in environmental stewardship

Validated by the Science Based Targets initiative in May 2020. This strategy is compatible with limiting global warming to well below 2°C.

2 NEW VALLOUREC PLAN UPDATE

REMINDER: NEW VALLOUREC PLAN OBJECTIVES

TARGET INDUSTRIAL FOOTPRINT IN 2024



NORTH AMERICA

Steel-making capacity: 750k tonnes
Rolling capacity: 750k tonnes

EASTERN HEMISPHERE

Rolling capacity: 600k tonnes

SOUTH AMERICA

Steel-making capacity: 950k tonnes
Rolling capacity: 1,100k tonnes

SUMMARY OF THE NEW VALLOUREC PLAN

Key Objectives:

- **Cycle-Proof our Business:** Generate through-cycle FCF[(a)] excluding the impact of working capital
- **Drive Best-in-Class Profitability:** Close margin gap vs. peers

Key Figures:

- **€250m recurring FCF[(a)] impact**
  - €230m EBITDA benefit
  - €20m capex avoidance
- **Full effect starting Q2 2024**

New Vallourec plan designed to increase profitability, resiliency, and shareholder returns

(a) Aligned with historical definition of free cash flow ("FCF"). Please see "Definitions of Non-GAAP Financial Data" in the Appendix

NEW VALLOUREC PLAN: KEY YEAR ONE ACTIONS

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Key Plan Levers	First Year Actions
Emphasizing Value over Volume	➢ Strengthened pricing policies ➢ Reinforced focus on contract terms ➢ Realized 28% YoY increase in Tubes average selling price
Reshaping Industrial Footprint	➢ Finalized social plans for European asset closures ➢ Launched real estate sale process ➢ Initiated €120m investment in Brazil
Reducing Overhead	➢ Structurally improved mgmt. routines ➢ Refreshed the Executive Committee ➢ Progressed €100m reduction in overhead costs ➢ Centralized and simplified R&D

Targeting €250m FCF uplift (a)

(a) Aligned with historical definition of Free cash flow (“FCF”). Please see “Definitions of Non-GAAP Financial Data” in the Appendix

NEW VALLOUREC PLAN: NEAR-TERM UPDATES

Brazil Capex Program

- **Primary phase** of capex program now **underway**
- **Plan in place** to mitigate shipment disruptions during transformational year
- **Progressing customer approvals** to transfer O&G production from Germany to Brazil

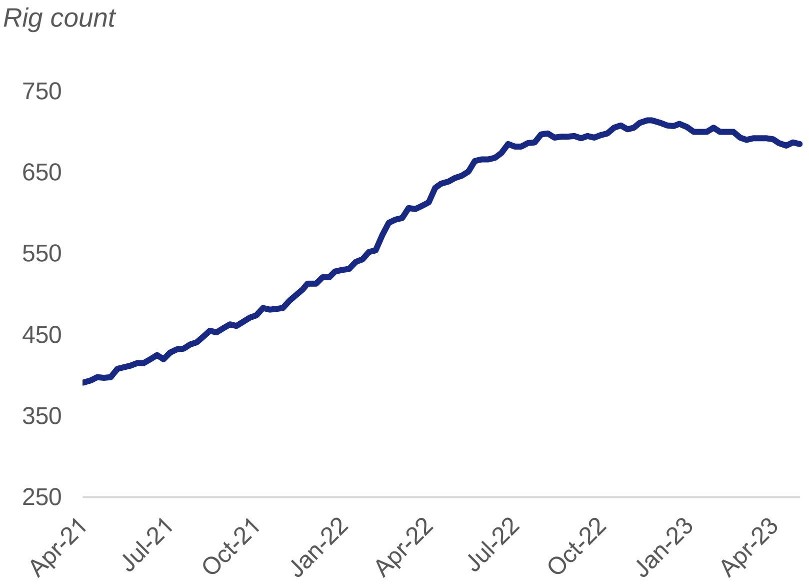
German Asset Closures

- **Order backlog largely in hand** for 2023 production plan; ramp-down remains on schedule
- **Sale process ongoing for Duesseldorf-Rath** (c.895k m^2)
- **Mülheim** (c.350k m^2) **sale process is also ongoing;** closing not expected in the near-term

3 MARKET & COMMERCIAL ENVIRONMENT

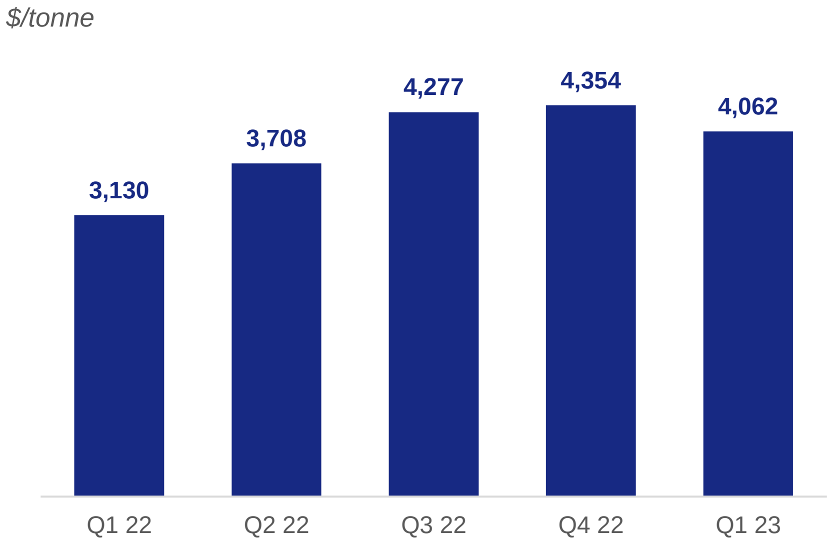
U.S. OCTG MARKET: RANGE-BOUND AND PROFITABLE

U.S. HORIZONTAL LAND RIG COUNT



Source: Baker Hughes

U.S. SEAMLESS OCTG PRICE EVOLUTION



Source: Pipe Logix. Average of all U.S. seamless price indicators

U.S. activity flattish to start year; pricing moderating somewhat from late 2022 level
Margins to remain strong in 2023

INTERNATIONAL OCTG MARKET: CONTINUED GROWTH

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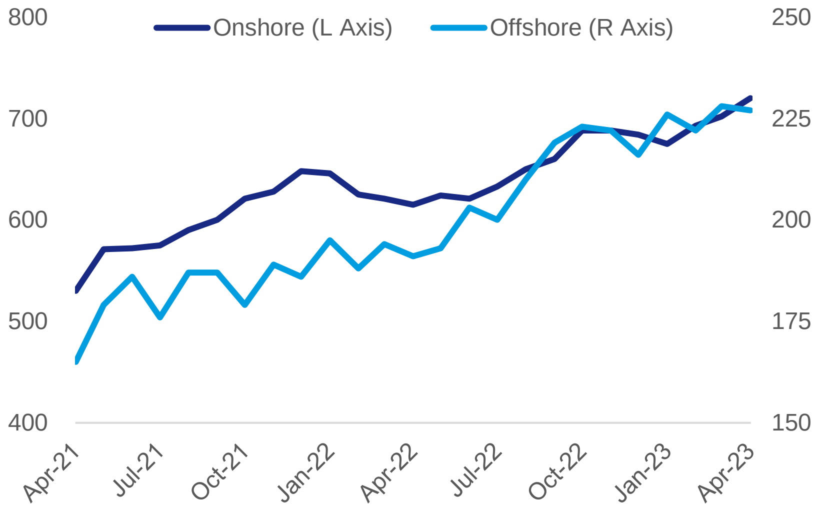
INTERNATIONAL RIG COUNT

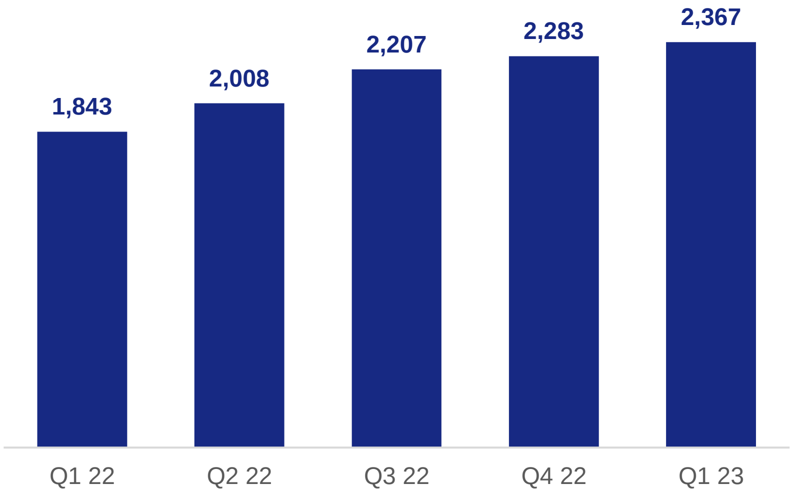
Onshore rig count *Offshore rig count*



Source: Baker Hughes

MIDDLE EAST SEAMLESS OCTG PRICE EVOLUTION

$/tonne

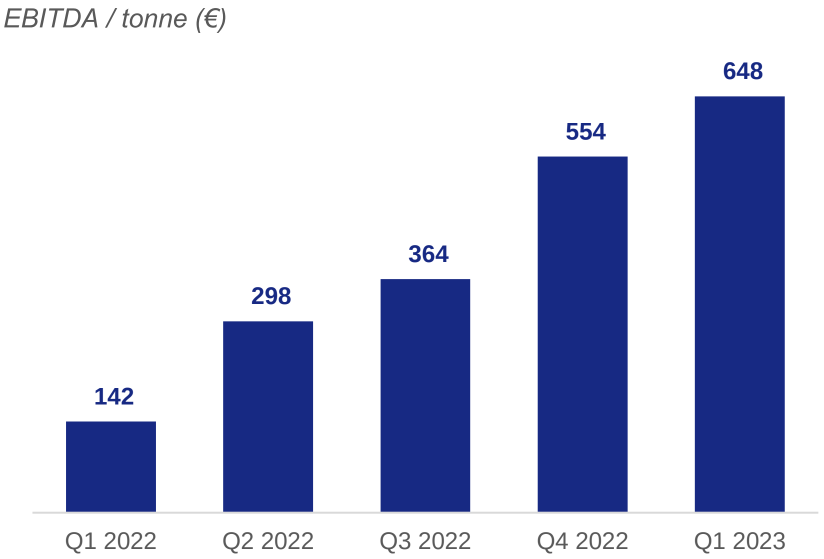


Source: Rystad Energy. Jebel Ali Seamless (Premium) L80 CFR price selected as indicator of int'l pricing.

Drilling activity on the rise outside of North America, with the Middle East a major driver
Pricing continues to increase across all major markets

CONTINUED TUBES PROFITABILITY GROWTH

TUBES PROFITABILITY PROGRESSION



KEY HIGHLIGHTS

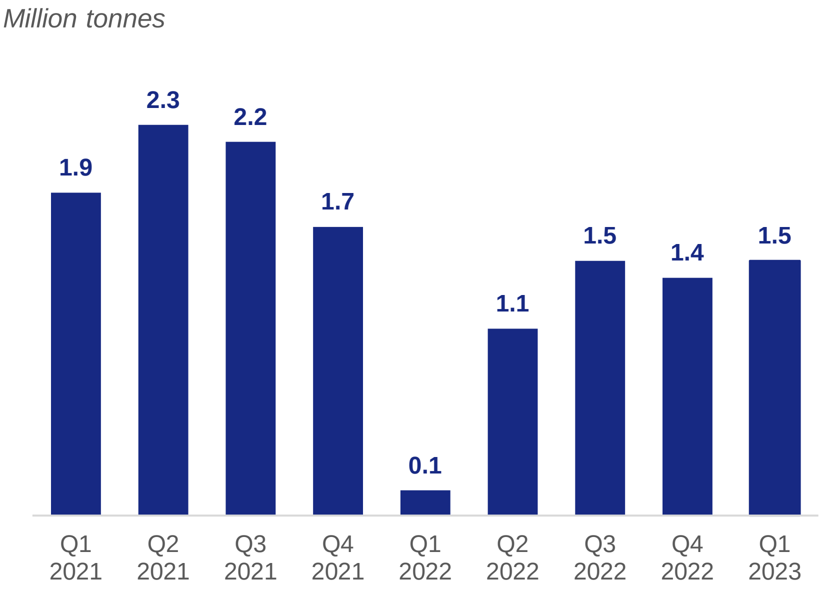
- **Solid Q1 result** driven by robust pricing in the U.S. and strong execution in Eastern Hemisphere
  - Volumes down slightly in the U.S. as we prioritized price over tonnage, consistent with our Value over Volume strategy
- **Customer demand remains strong**, with bookings continuing to show positive price trend outside the U.S.
- **Brazil capability enhancement program kicking into high gear in May**
  - Rolling capacity outages may drive modest inefficiency in the near-term, but will result in significantly expanded production capabilities and addressable markets for our Brazilian assets
  - Shift of volumes from Germany to Brazil is expected to be completed by the end of 2023, supporting further profitability growth as part of the New Vallourec plan

Tubes profitability continues to grow due to meaningful price improvement and disciplined operational management

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

MINE AND FOREST: RETURNING TO FULL PRODUCTION

MINE PRODUCTION EVOLUTION



KEY HIGHLIGHTS

- **Meaningful QoQ and YoY improvement in Q1 2023** driven by volume growth and higher pricing
  - Global iron ore pricing was resilient due to China demand
  - Substantial YoY volume increase reflects return to partial production levels following waste pile slippage in Q1 2022
- **Permission received to return to normal operations**
  - On May 5, 2023, Vallourec obtained the necessary permissions from the state mining and environmental authorities for the full release of the Cachoeirinha waste pile
  - April production was approximately 0.6m tonnes
  - Mine to return to full production in Q2 2023

Iron ore mine to return to full production in Q2 2023

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

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FIRST QUARTER RESULTS REVIEW

REVISED FREE CASH FLOW REPORTING RATIONALE

PRIOR DISCLOSURE

€ million	Q1 2022
EBITDA	**45**
Provisions in EBITDA	19
Cash EBITDA	**64**
Interest payments	(4)
Tax payments	(21)
Other (including restructuring charges)	(19)
Op. cash flow before chg. in WCR	**20**
Change in working capital	(216)
Operating cash flow	**(196)**
Gross capital expenditure	(34)
Free cash flow	**(230)**
Asset disposals & other	(25)
(Increase) decrease in net debt	**(255)**

REVISED DISCLOSURE

	€ million	Q1 2022
	EBITDA	**45**
	Non-cash items in EBITDA	20
	Financial cash out	(4)
	Tax payments	(21)
(i)	**Adjusted operating cash flow**	**40**
	Change in working capital	(216)
	Gross capital expenditure	(34)
(ii)	**Adjusted free cash flow**	**(210)**
	Restructuring charges & non-recurring items	(20)
	Asset disposals & other cash items (A)	(10)
(iii)	**Total cash generation** (B)	**(240)**
	Non-cash adjustments to net debt	(15)
	(Increase) decrease in net debt	**(255)**
	Free cash flow, as previously defined (B-A)	(230)

KEY HIGHLIGHTS

- ✓ **Reporting transparency enhanced:**
  - ✓ Restructuring cash costs and benefits are more visible
  - ✓ Cash and non-cash items clearly separated
- ✓ **Cash generation of core assets** is better delineated
- ✓ **No change in guidance***
- ✓ **No change in executive incentive compensation metrics**

Understanding the New KPIs:

(i) Adjusted operating cash flow: demonstrates cash flow from operating activities excluding restructuring charges & non-recurring items

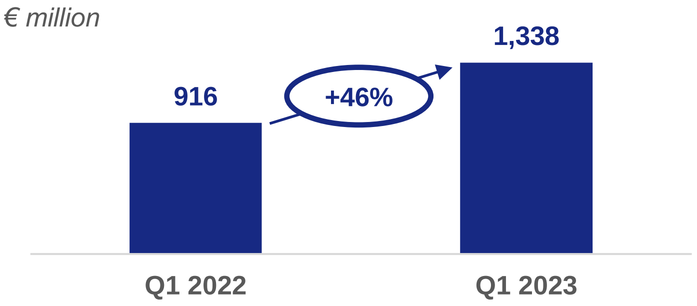
(ii) Adjusted free cash flow: adjusted operating cash flow less the change in working capital and gross capital expenditures

(iii) Total cash generation: accounts for all cash items that affect the company's change in net debt in a given financial period

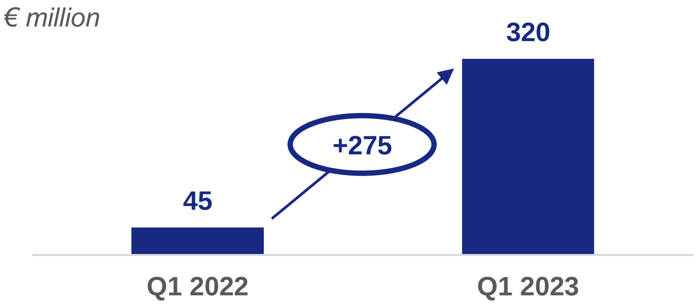
** The Group maintains its guidance for positive free cash flow for 2023. It is further clarified that considering the change in cash flow metrics, the notion of free cash flow is replaced by total cash generation restated for asset disposals & other cash items. The change of cash flow metrics also has no impact on any other guidance provided by the Group. Please see "Definitions of Non-GAAP Financial Data" in the Appendix*

Q1 2023 GROUP KEY FIGURES

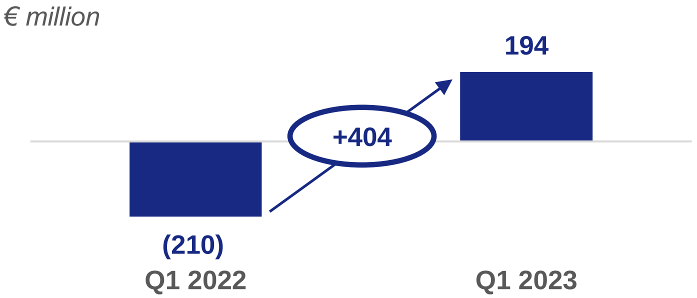
REVENUES



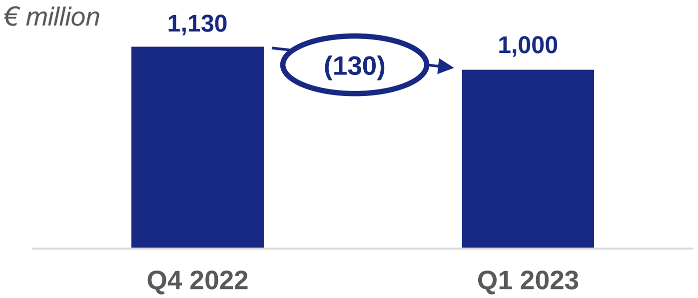
EBITDA



ADJUSTED FREE CASH FLOW



NET DEBT



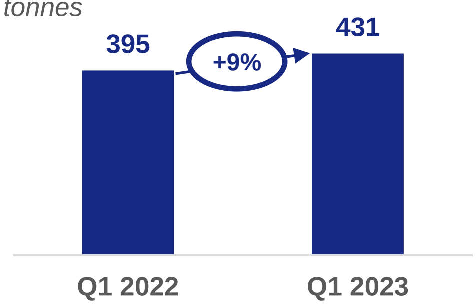
Revenue and EBITDA growth driven by improved profitability in the Tubes business
Strong adjusted FCF generation and continued net debt reduction

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

Q1 2023 TUBES PRODUCTION AND REVENUES

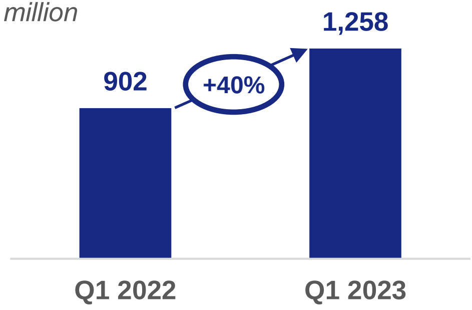
VOLUME SOLD

k tonnes



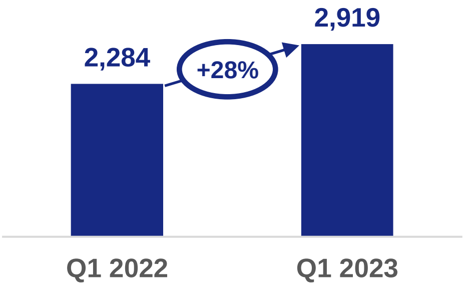
REVENUES

€ million

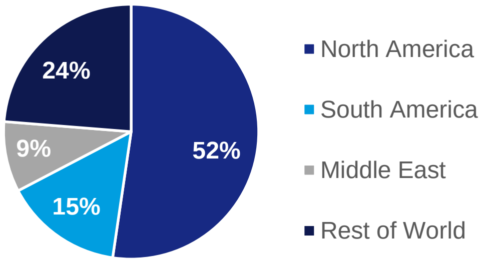


AVERAGE SELLING PRICE

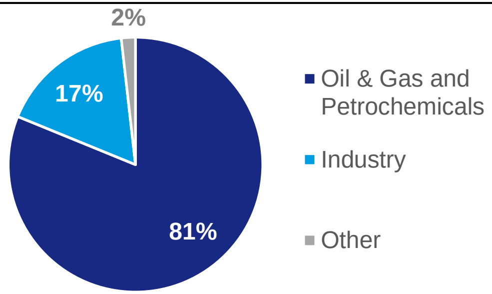
€ million



Q1 2023 REVENUES BY GEOGRAPHY



Q1 2023 REVENUES BY SEGMENT

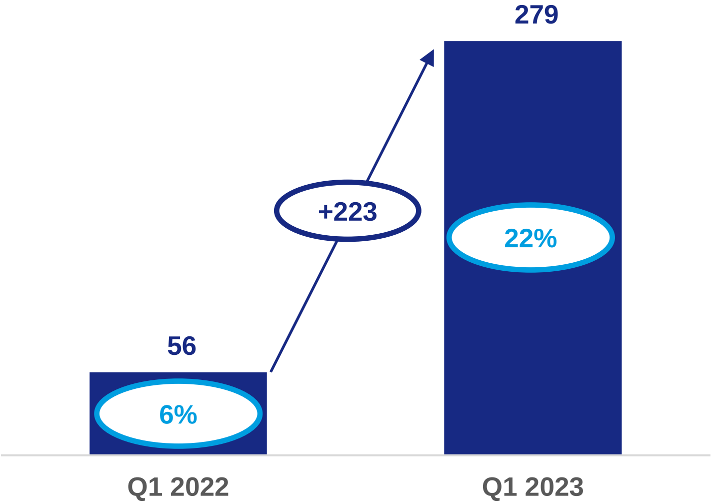


Substantial price increases driven by Value over Volume strategy (implemented in Q1 2022) and favorable OCTG market conditions

Q1 2023 TUBES PROFITABILITY

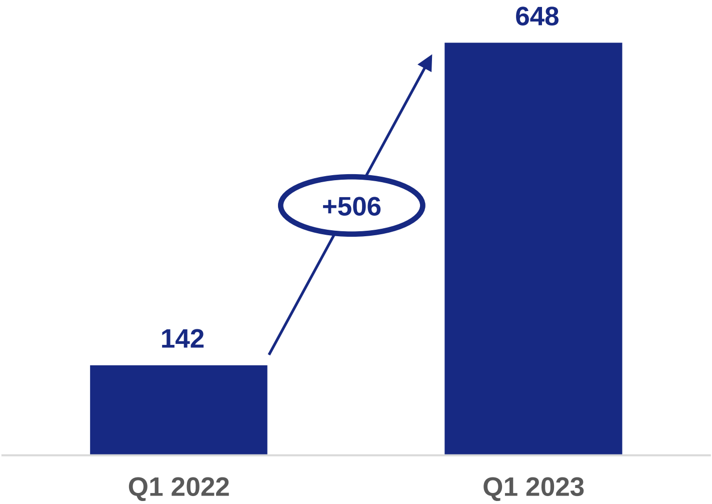
EBITDA AND EBITDA MARGIN

€ million and % of revenues



EBITDA PER TONNE

€ / tonne



Substantial increase in Tubes profitability driven largely by higher pricing

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

Q1 2023 MINE AND FOREST PERFORMANCE

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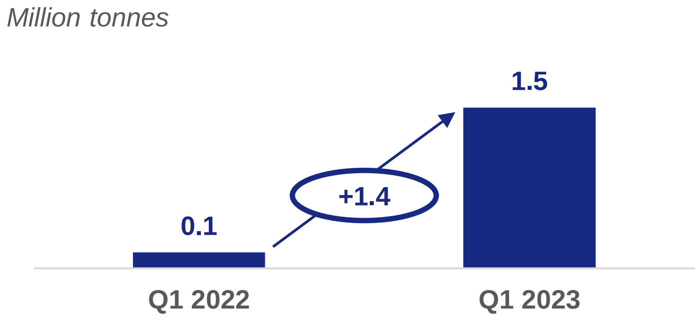
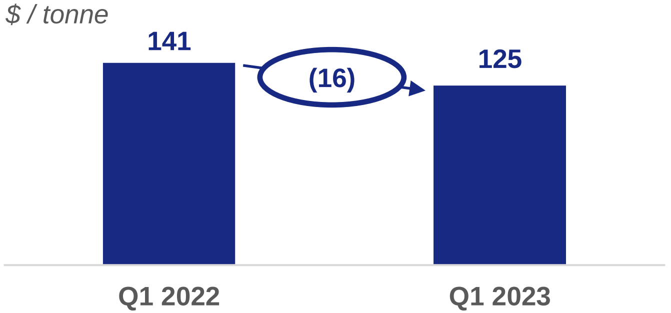
PRODUCTION SOLD

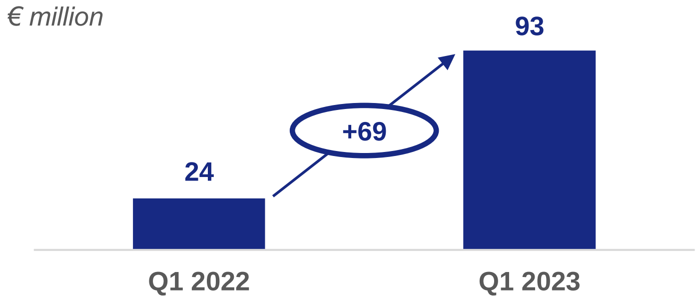


AVERAGE QUARTERLY IRON ORE PRICES

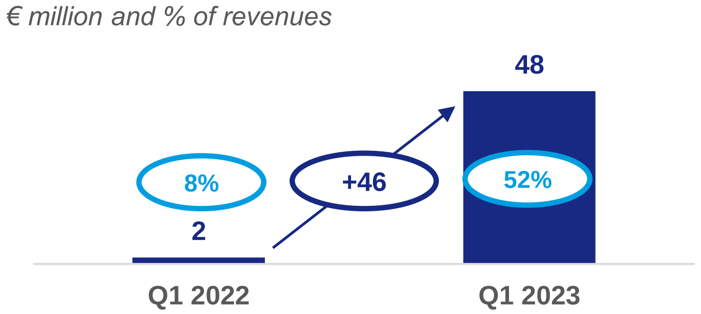


Source: Platts, CFR China 62% Fe ($/tonne)

REVENUES



EBITDA



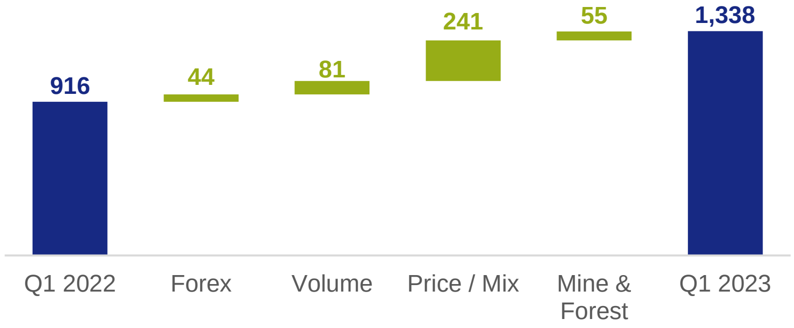
Iron ore mine profitability up substantially year-over-year due to partial volume recovery, offset somewhat by lower market pricing

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

Q1 2023 GROUP FINANCIAL HIGHLIGHTS

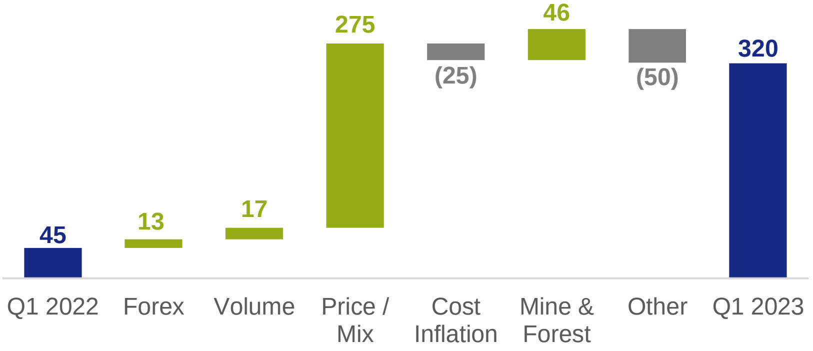
YoY REVENUE BRIDGE

€ million



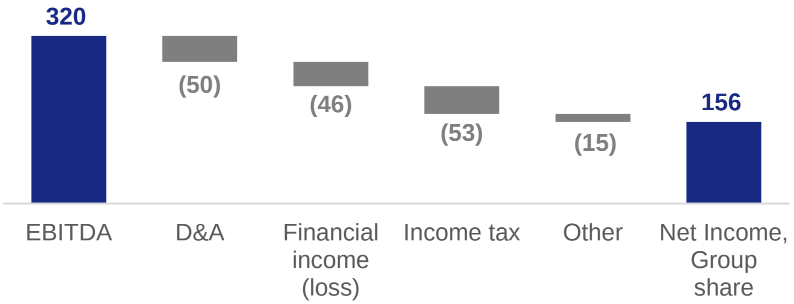
YoY EBITDA BRIDGE

€ million



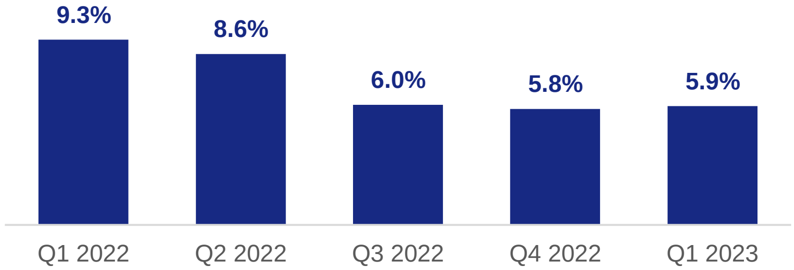
Q1 2023 EBITDA TO NET INCOME BRIDGE

€ million



SG&A EXPENSE TREND

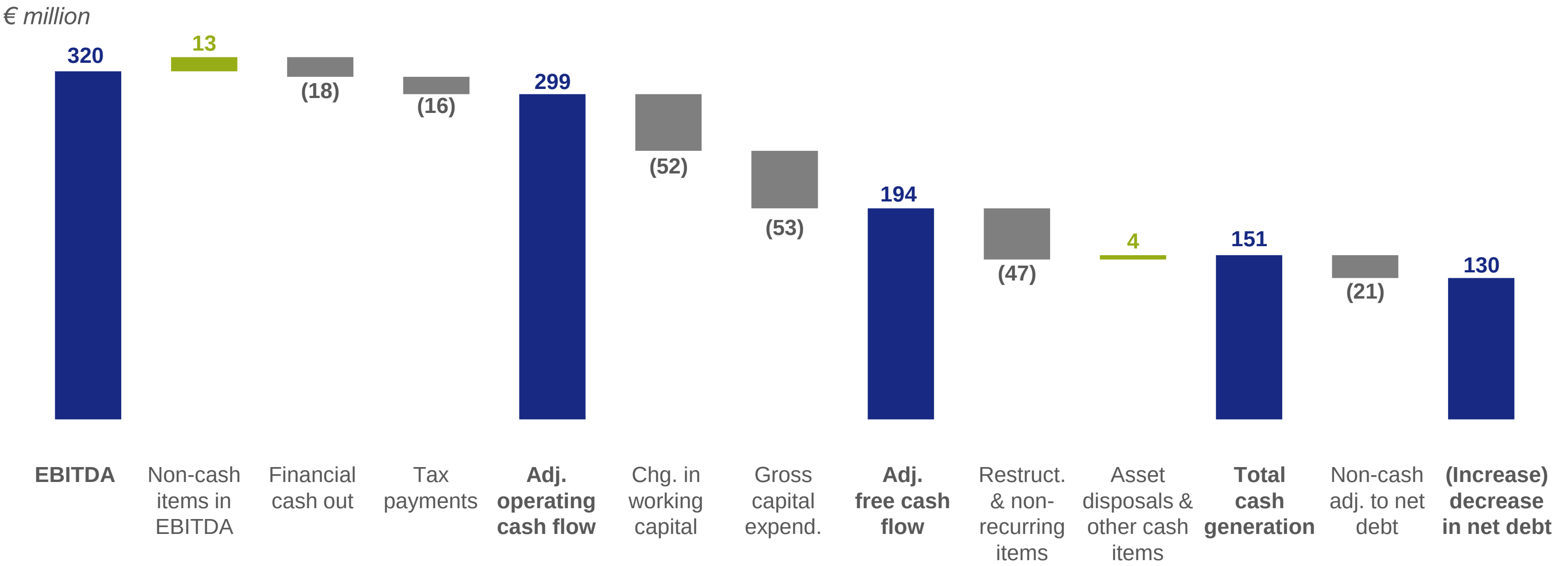
% of Sales



Please see "Definitions of Non-GAAP Financial Data" in the Appendix

GROUP CASH FLOW BRIDGE

Q1 2023 CASH FLOW BRIDGE: EBITDA TO CHANGE IN NET DEBT



Meaningful decrease in net debt in Q1 2023 due to significant EBITDA generation

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

5 2023 OUTLOOK & KEY TAKEAWAYS

EARNINGS AND CASH FLOW OUTLOOK

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Q2 2023

- **Tubes:** expect robust revenues as Int'l price improvement offsets moderate sequential U.S. decline
- **Mine and Forest:** mine to return to full production in Q2 2023; sequential volume increase to be offset by lower market prices
- **EBITDA to be similar to Q1 2023** and up substantially YoY
- **Total cash generation to be around breakeven** due to assumed temporary increase of working capital

FY 2023

- **EBITDA to improve vs. 2022.** We expect somewhat 1H-weighted EBITDA generation as sequential declines in U.S. pricing are partially offset by improvements in International markets
- **Net debt to decline vs. 2022**
- **FCF and total cash generation expected to be positive** excluding any potential benefit from asset sales, and assuming higher YoY tax payments, approx. €220m gross capital expenditures and restructuring and non-recurring items moderately below €350m

POST 2023

- **Full €230m EBITDA impact of New Vallourec plan starting in Q2 2024,** including European asset shutdowns and Oil & Gas production transfer to Brazil
- **Targeting FCF[(a)] positive operations through-cycle** excluding the impact of working capital
- **Targeting zero net debt by year-end 2025 at the latest**

(a) Aligned with historical definition of Free cash flow ("FCF"). Please see "Definitions of Non-GAAP Financial Data" in the Appendix

KEY TAKEAWAYS

- **Strong Q1 2023 earnings and total cash generation** driven by favorable market conditions, Value over Volume strategy and strong execution
- **New Vallourec plan remains on track** to deliver €230m of recurring EBITDA savings starting Q2 2024
- **Execution of major Brazil capital program underway,** with shift of production volumes from Germany to be completed by the end of 2023
- **Tubes earnings power remains strong** as international pricing and demand growth set to mitigate sequential declines in U.S. pricing
- **Iron ore mine to return to full production in Q2 2023**
- **We remain committed to cycle-proofing** our business and balance sheet

Capital Markets Day

September 12th, 2023

London

Venue TBA

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

APPENDICES

ANALYST TOOLKIT

EBITDA	To improve vs. 2022
<u>Cash Flow Items:</u>	
Tax payments	Higher than 2022
Gross capital expenditures	~€220m
of which: Recurring investment	*~€150m*
of which: New Vallourec implementation	*~€70m*
Restructuring charges & non-recurring items	*<€350m*

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

KEY PERFORMANCE INDICATORS

	Tubes			Mine and Forest			Holding co. and other			Inter-segment transactions			Total		
	Q1 2023	Q1 2022	%chg.	Q1 2023	Q1 2022	%chg.	Q1 2023	Q1 2022	%chg.	Q1 2023	Q1 2022	%chg.	Q1 2023	Q1 2022	%chg.
Volume sold*	431	395	*9%*	1.5	0.1	*nm*									
Revenue (€m)	1,258	902	*40%*	93	24	*nm*	46	47	*(2%)*	(59)	(56)	*5%*	1,338	916	*46%*
Average Selling Price (€)	2,919	2,284	*28%*												
EBITDA (€m)	279	56	*nm*	48	2	*nm*	(5)	(16)	*(69%)*	(3)	3	*nm*	320	45	*nm*
Capex (€m)	45	30	*50%*	7	3	*133%*	1	1	–				53	34	*56%*

** Volume sold in thousand tonnes for Tubes and in million tonnes for Mine*

nm = not meaningful

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

TUBES REVENUES BREAKDOWN

REVENUE BY REGION

in € million	Q1 2023	Q4 2022	Q1 2022	QoQ % chg.	YoY % chg.
Europe	152	137	162	*11%*	*(6%)*
North America	658	744	346	*(12%)*	*90%*
Middle East	112	111	94	*1%*	*19%*
Asia	54	111	75	*(51%)*	*(28%)*
South America	189	241	190	*(22%)*	*(0%)*
Rest of World	92	123	35	*(25%)*	*163%*
Total Tubes	**1,258**	**1,467**	**902**	***(14%)***	***40%***

REVENUE BY MARKET

in € million	Q1 2023	Q4 2022	Q1 2022	QoQ % chg.	YoY % chg.	YoY % chg. at Constant Exchange Rates
Oil & Gas and Petrochemicals	1,021	1,185	596	*(14%)*	*71%*	*65%*
Industry	214	252	250	*(15%)*	*(14%)*	*(16%)*
Other	23	31	56	*(27%)*	*(59%)*	*(59%)*
Total Tubes	**1,258**	**1,467**	**902**	***(14%)***	***40%***	***35%***

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

INCOME STATEMENT

€ million, unless noted	Q1 2023	Q4 2022	Q1 2022	QoQ chg.	YoY chg.
Revenues	**1,338**	**1,541**	**916**	**(203)**	**422**
Cost of sales	(926)	(1,126)	(787)	200	(139)
Industrial margin	**412**	**415**	**129**	**(3)**	**283**
(as a % of revenue)	*30.8%*	*26.9%*	*14.1%*	*3.9 pp*	*16.7 pp*
Selling, general and administrative expenses	(79)	(90)	(85)	11	6
(as a % of revenue)	*(5.9%)*	*(5.8%)*	*(9.3%)*	*(0.1) pp*	*3.4 pp*
Other	(13)	(13)	1	–	(14)
EBITDA	**320**	**312**	**45**	**8**	**275**
(as a % of revenue)	*23.9%*	*20.2%*	*4.9%*	*3.7 pp*	*19.0 pp*
Depreciation of industrial assets	(40)	(46)	(41)	6	1
Amortization and other depreciation	(10)	(10)	(10)	–	–
Impairment of assets	–	(36)	–	36	–
Asset disposals, restructuring costs and non-recurring items	(13)	(56)	(11)	43	(2)
Operating income (loss)	**257**	**164**	**(17)**	**93**	**274**
Financial income (loss)	(46)	(60)	(13)	14	(33)
Pre-tax income (loss)	**211**	**104**	**(30)**	**107**	**241**
Income tax	(53)	(9)	(3)	(44)	(50)
Share in net income (loss) of equity affiliates	(1)	(15)	(1)	14	–
Net income	**157**	**80**	**(34)**	**77**	**191**
Attributable to non-controlling interests	1	2	1	(1)	–
Net income, Group share	**156**	**78**	**(35)**	**78**	**191**
Basic earnings per share (€)	**0.67**	**0.34**	**(0.15)**	**0.34**	**0.83**
Basic shares outstanding (millions)	232	232	229	–	3

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

BALANCE SHEET

In € million

Assets	31-Mar-23	31-Dec-22	Liabilities	31-Mar-23	31-Dec-22
			Equity - Group share	1,812	1,643
Net intangible assets	49	37	Non-controlling interests	43	42
Goodwill	40	40	**Total equity**	**1,855**	**1,685**
Net property, plant and equipment	1,805	1,829	Bank loans and other borrowings (A)	1,362	1,368
Biological assets	66	63	Lease debt (D)	46	51
Equity affiliates	15	16	Employee benefit commitments	97	105
Other non-current assets	175	187	Deferred taxes	82	52
Deferred taxes	253	238	Provisions and other long-term liabilities	315	296
Total non-current assets	**2,403**	**2,410**	**Total non-current liabilities**	**1,902**	**1,872**
Inventories	1,364	1,312	Provisions	316	355
Trade and other receivables	829	824	Overdraft & other short-term borrowings (B)	532	314
Derivatives - assets	23	34	Lease debt (E)	19	20
Other current assets	259	217	Trade payables	816	787
Cash and cash equivalents (C)	894	552	Derivatives - liabilities	19	36
			Other current liabilities	318	285
Total current assets	**3,369**	**2,939**	**Total current liabilities**	**2,020**	**1,797**
Assets held for sale and discontinued operations	7	9	Liabilities held for sale and discontinued operations	2	4
Total assets	**5,779**	**5,358**	**Total equity and liabilities**	**5,779**	**5,358**

Net financial debt (A+B-C)	**1,000**	**1,130**	**Net income (loss), Group share**	**156**	**(366)**
Lease debt (D+E)	**65**	**71**			

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

CASH FLOW SUMMARY

In € million	Q1 2023	Q4 2022	Q1 2022	QoQ chg.	YoY chg.
EBITDA	**320**	**312**	**45**	**8**	**275**
Non-cash items in EBITDA	13	(13)	20	26	(7)
Financial cash out	(18)	(63)	(4)	45	(14)
Tax payments	(16)	(23)	(21)	7	5
Adjusted operating cash flow	**299**	**213**	**40**	**86**	**259**
Change in working capital	(52)	183	(216)	(235)	164
Gross capital expenditure	(53)	(78)	(34)	25	(19)
Adjusted free cash flow	**194**	**318**	**(210)**	**(124)**	**404**
Restructuring charges & non-recurring items	(47)	(53)	(20)	6	(27)
Asset disposals & other cash items (A)	4	58	(10)	(54)	14
Total cash generation (B)	**151**	**323**	**(240)**	**(172)**	**391**
Non-cash adjustments to net debt	(21)	41	(15)	(62)	(6)
(Increase) decrease in net debt	**130**	**364**	**(255)**	**(234)**	**385**
Free cash flow, as previously defined (B-A)	147	266	(230)	(119)	377

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

FINANCIAL INDEBTEDNESS AND LIQUIDITY

FINANCIAL INDEBTEDNESS

In € million	31-Mar-23	31-Dec-22
8.500% Bonds due 2026	1,128	1,135
1.837% PGE due 2027	222	220
Revolving credit facility (RCF) [a]	150	–
ACC ACE [b]	326	282
Other	68	43
Total gross financial indebtedness	**1,894**	**1,681**
Cash and cash equivalents	894	552
Total net financial indebtedness	**1,000**	**1,130**

(a) *The RCF, shown as drawn as of March 31, 2023, has been subsequently repaid.*
(b) *Refers to ACC (Advance on Exchange Contract) and ACE (Advance on Deposits) program in Brazil*

LIQUIDITY

In € million	31-Mar-23	31-Dec-22
Cash and cash equivalents	894	552
Available RCF [a]	312	462
Available ABL [b]	185	189
Total liquidity	**1,391**	**1,203**

(a) *The RCF, shown as drawn as of March 31, 2023, has been subsequently repaid.*
(b) *$9m letter of credit issued as of March 31, 2023*

OLD VS. NEW CASH FLOW METRIC RECONCILIATION (Q1 2022)

	Q1 2022 Free Cash Flow Reconciliation							
Prior Naming Convention	**Prior Format**	**Non-cash items in EBITDA [(a)]**	**Restructuring & non-recurring items**	**Other financial cash impacts**	**Capital expenditures**	**Other investing and financing cash impacts**	**New Format**	**Current Naming Convention**
EBITDA	**45**	**–**	**–**	**–**	**–**	**–**	**45**	**EBITDA**
Provisions and other non-cash elements	19	1	–	–	–	–	20	Non-cash items in EBITDA
Interest payments	(4)	–	–	–	–	–	(4)	Financial cash out
Tax payments	(21)	–	–	–	–	–	(21)	Tax payments
Other (including restructuring charges)	(19)	(1)	20	–	–	–	–	–
Operating cash flow before change in WCR	**20**	**–**	**20**	**–**	**–**	**–**	**40**	**Adjusted operating cash flow**
Change in operating WCR [+ decrease , - increase]	(216)	–	–	–	–	–	(216)	Change in working capital
–	–	–	–	–	(34)	–	(34)	Gross capital expenditure
Operating cash flow	**(196)**	**–**	**20**	**–**	**(34)**	**–**	**(210)**	**Adjusted free cash flow**
Gross capital expenditure	(34)	–	–	–	34	–	–	–
–	–	–	(20)	–	–	–	(20)	Restructuring charges & non-recurring items
–	–	–	–	–	–	(10)	(10)	Asset disposals & other cash items
Free cash flow	**(230)**	**–**	**–**	**–**	**–**	**(10)**	**(240)**	**Total cash generation**
Assets disposal & other items	(25)	–	–	–	–	10	(15)	Non-cash adjustments to net debt
Change in net debt [+ decrease, (increase)]	**(255)**	**–**	**–**	**–**	**–**	**–**	**(255)**	**(Increase) decrease in net debt**

(a) Reallocated items related to IAS41 & IFRS 2

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

OLD VS. NEW CASH FLOW METRIC RECONCILIATION (FY 2022)

	FY 2022 Free Cash Flow Reconciliation							
Prior Naming Convention	**Prior Format**	**Non-cash items in EBITDA [(a)]**	**Restructuring & non-recurring items**	**Other financial cash impacts**	**Capital expenditures**	**Other investing and financing cash impacts**	**New Format**	**Current Naming Convention**
EBITDA	**715**	**–**	**–**	**–**	**–**	**–**	**715**	**EBITDA**
Provisions and other non-cash elements	(53)	(15)	–	–	–	–	(68)	Non-cash items in EBITDA
Interest payments	(112)	–	–	2	–	–	(110)	Financial cash out
Tax payments	(79)	–	–	–	–	–	(79)	Tax payments
Other (including restructuring charges)	(141)	15	128	(2)	–	–	–	–
Operating cash flow before change in WCR	**330**	**–**	**128**	**–**	**–**	**–**	**458**	**Adjusted operating cash flow**
Change in operating WCR [+ decrease , - increase]	(355)	–	–	–	–	–	(355)	Change in working capital
–	–	–	–	–	(191)	–	(191)	Gross capital expenditure
Operating cash flow	**(25)**	**–**	**128**	**–**	**(191)**	**–**	**(88)**	**Adjusted free cash flow**
Gross capital expenditure	(191)	–	–	–	191	–	–	–
–	–	–	(128)	–	–	–	(128)	Restructuring charges & non-recurring items
–	–	–	–	–	–	16	16	Asset disposals & other cash items
Free cash flow	**(216)**	**–**	**–**	**–**	**–**	**16**	**(200)**	**Total cash generation**
Assets disposal & other items	44	–	–	–	–	(16)	28	Non-cash adjustments to net debt
Change in net debt [+ decrease, (increase)]	**(172)**	**–**	**–**	**–**	**–**	**–**	**(172)**	**(Increase) decrease in net debt**

(a) Reallocated items related to IAS41 & IFRS 2

Please see "Definitions of Non-GAAP Financial Data" in the Appendix

DEFINITIONS OF NON-GAAP FINANCIAL DATA

Adjusted free cash flow is defined as adjusted operating cash flow +/- change in operating working capital and gross capital expenditures. It corresponds to net cash used in operating activities less restructuring and non-recurring items +/- gross capital expenditure.

Adjusted operating cash flow is defined as EBITDA adjusted for non-cash benefits and expenses, financial cash out and tax payments.

Asset disposals and other cash items includes cash inflows from asset sales as well as other investing and financing cash flows (e.g. loan reimbursements).

Change in working capital refers to the change in the operating working capital requirement.

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.

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization is calculated by taking operating income (loss) before depreciation and amortization, and excluding certain operating revenues and expenses that are unusual in nature or occur rarely, such as:

- impairment of goodwill and non-current assets as determined within the scope of impairment tests carried out in accordance with IAS 36;
- significant restructuring expenses, particularly resulting from headcount reorganization measures, in respect of major events or decisions;
- capital gains or losses on disposals;
- income and expenses resulting from major litigation, significant roll-outs or capital transactions (e.g., costs of integrating a new activity).

Financial cash out includes interest payments on financial and lease debt, interest income and other financial costs.

DEFINITIONS OF NON-GAAP FINANCIAL DATA

Free cash flow, as previously defined, may continue to be derived as follows: total cash generation - asset disposals & other cash items. This is also defined as EBITDA adjusted for changes in provisions, less interest and tax payments, changes in working capital, less gross capital expenditures, and less restructuring/other cash outflows.

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.

(Increase) decrease in net debt (alternatively, “change in net debt”) is defined as total cash generation +/- non-cash adjustments to net debt.

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 is defined as the present value of unavoidable future lease payments.

Net debt: Consolidated net debt (or “net financial 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 is 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.

Non-cash adjustments to net debt includes non-cash foreign exchange impacts on debt balances, IFRS-defined fair value adjustments on debt balances, and other non-cash items.

Non-cash items in EBITDA includes provisions and other non-cash items in EBITDA.

DEFINITIONS OF NON-GAAP FINANCIAL DATA

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

Restructuring charges and non-recurring items consists primarily of the cash costs of executing the New Vallourec plan, including severance costs and other facility closure costs.

Total cash generation is defined as adjusted free cash flow +/- restructuring charges and non-recurring items and asset disposals & other cash items. It corresponds to net cash used in operating activities +/- gross capital expenditure and asset disposals & other cash items.

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

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- **Euronext Paris: ISIN code: FR0013506730, Ticker: VK**
- USA: American Depositary Receipt (ADR) - ISIN code: US92023R4074, Ticker: VLOWY
- **Investor Relations Contact - Vallourec Group**
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  - www.vallourec.com

- **Financial Calendar:**
  - May 25, 2023: Ordinary and Extraordinary Shareholders' Meeting
  - July 28, 2023: Publication of Q2 & H1 2023 results
- **Conferences and Roadshows:**
  - June 1 & 2, 2023 – Société Générale Conference (Nice)

Save the date for our upcoming Capital Markets Day

September 12th, 2023 in London