

Vallourec expects second quarter 2023 results to exceed prior expectations

Meudon (France), 13 July 2023 – Vallourec, a world leader in premium tubular solutions, announces that it expects second quarter 2023 results to exceed prior expectations.

As part of Vallourec's Q1 2023 financial communication, Vallourec indicated that it expected Q2 2023 EBITDA to be similar to Q1 2023 EBITDA (€320 million), and Q2 2023 total cash generation to be around breakeven. Vallourec now expects second quarter EBITDA to be around €370 million, and total cash generation to be around €110 million. Vallourec expects net debt at the end of Q2 2023 to be around €870 million compared to €1 billion at the end of Q1 2023. Vallourec notes that these results are still subject to Board approval¹.

Major contributing factors to this better-than-expected EBITDA were strong results in the Eastern Hemisphere, specifically in the Middle East, and smaller than anticipated losses in Germany. The higher total cash generation additionally benefitted from efficient working capital management.

Vallourec Further Clarifies Full-Year 2023 Outlook

In its Q1 2023 results communication, Vallourec noted expectations that 2023 EBITDA would improve versus 2022 and would be somewhat first-half-weighted. Now, Vallourec further clarifies that it expects full-year 2023 EBITDA to range between €950 million and €1,100 million. Total cash generation in the second half of 2023 is expected to be positive excluding any potential benefit of asset sales. Vallourec therefore expects net debt to decline further in the second half of 2023 versus the Q2 2023 level. This outlook is based on the following assumptions:

- In the US market, Vallourec assumes sales volumes bottom in the third quarter as distributor inventories normalize. Market pricing² is assumed to decrease moderately from the current level.
- The Platts 62% Fe CFR China Index is assumed to be around \$105 per tonne in the second half of 2023³.

Philippe Guillemot, Chairman and CEO of Vallourec, said: *"The second quarter of 2023 extended the strong momentum we have seen in our Tubes business over the past several quarters. Our team continues to execute well, and we see significant opportunities to optimize our profitability in 2024. We expect second half 2023 EBITDA will be lower than the first half of 2023 due to lower US Tubes profitability and larger losses in Germany due to the ongoing wind-down of these operations. We continue to expect that these losses from our German tubes production will cease at the end of 2023 with the closure of these assets. As such, we remain on track to deliver the full €230 million impact of the New Vallourec plan starting in Q2 2024⁴. We also remain focused on generating cash and reaching zero net debt by year-end 2025 at the latest."*

¹ Auditors review of 2023 half year financial statements is in progress. These financial statements will be examined by the Board of Directors on July 27, 2023 and will be released on July 28, 2023.

² Market pricing is defined as the PipeLogix price index (average of all seamless indicators), as shown in Vallourec's Quarterly Results presentations.

³ The Platts 62% Fe CFR China Index averaged approximately \$118 per tonne in the first half of 2023.

⁴ €230 million benefit is defined relative to the 2021 baseline of the New Vallourec plan

Information and Forward-Looking Statements

This press release 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 marchés financiers, or “AMF”), including those listed in the “Risk Factors” section of the Universal Registration Document filed with the AMF on April 17, 2023, under filing number n° D.23-0293. Accordingly, readers of this document are cautioned against relying on these forward-looking statements. These forward-looking statements are made as of the date of this document. Vallourec disclaims any intention or obligation to complete, update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations. This press release does not constitute any offer to purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Vallourec. or further information, please refer to the website www.vallourec.com.

About Vallourec

A world leader in its markets, Vallourec provides leading tubular solutions for the energy sector and other demanding applications: from oil and gas wells in extreme conditions to energy transition projects – geothermal, carbon capture and storage, hydrogen storage – and from the latest generation of power plants to daring architectural projects and ultra-high-performance mechanical equipment. True to its pioneering spirit and backed by cutting-edge R&D, Vallourec is constantly pushing back the frontiers of technology. Operating in some twenty countries, in close proximity to its customers, the Group employs almost 16,000 passionate and committed people who deliver much more than just tubes: they offer increasingly innovative, reliable and competitive solutions that make any project possible.

Listed on Euronext Paris (ISIN code: FR0013506730, Ticker VK), Vallourec features on the CAC Mid 60, SBF 120 and Next 150 indices and is eligible for the *Service de Règlement Différé* (SRD, “Deferred Settlement Service”).

In the United States, Vallourec has set up a sponsored level 1 American Depositary Receipt (ADR) programme (ISIN code: US92023R4074, Ticker: VLOWY). The parity rate between the ADR and the ordinary Vallourec share is 5 to 1.

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