

**2024**

**INTERIM  
FINANCIAL  
REPORT**

**HALF-YEAR ENDED  
JUNE 30, 2024**

# SUMMARY

<b>1</b>	<b>STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT</b>	<b>1</b>
<b>2</b>	<b>HALF-YEAR ACTIVITY REPORT</b>	<b>2</b>
<b>3</b>	<b>VALLOUREC GROUP INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024</b>	<b>12</b>
<b>4</b>	<b>STATUTORY AUDITORS' REVIEW REPORT ON THE 2024 HALF-YEARLY FINANCIAL INFORMATION</b>	<b>37</b>

We remain at your disposal for further information:

## VALLOUREC



### Contact:

**Investor Relations Department**  
12, rue de la Verrerie — 92190 Meudon



0 805 651 010



E-mail: [investor.relations@vallourec.com](mailto:investor.relations@vallourec.com)

Full information is available on the Group website at: [www.vallourec.com](http://www.vallourec.com)

*This is a translation into English of the interim financial report of the Company issued in French and it is available on the website of the Issuer.*



# STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

To the best of my knowledge, I certify that the condensed half-year financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and profits or loss of Vallourec and all consolidated companies, and that the half-year activity report attached presents a true and fair view of the significant events that occurred during the first six months of the financial year and of their impact on the half-year financial statements, of the main transactions between related parties and that it describes the main risks and uncertainties for the remaining six months of the financial year.

Meudon, July 25, 2024

Philippe Guillemot

Chairman of the Board of Directors & Chief Executive Officer



# HALF-YEAR ACTIVITY REPORT

## Vallourec's Market Environment

### Oil and gas investment is the key driver of demand for Vallourec's solutions

The Vallourec Group is a world leader in premium tubular solutions, primarily for the Oil & Gas, Industry, and Energy markets. Vallourec's products have a wide range of potential applications across this value chain but have particularly strong use cases in the upstream oil & gas sector, where Vallourec's premium products are used for structural integrity or oil & gas transportation in subsurface wells (Oil Country Tubular Goods) or on the surface of the earth (Line Pipe).

Accordingly, the primary driver of demand for Vallourec's products is the level of investment in the upstream oil & gas sector. This is ultimately dependent on oil & gas prices, which depend on the balance of supply and demand for these respective commodities. Oil market dynamics tend to be more global, and generally speaking more important for Vallourec's overall financial results given the higher percentage of upstream spending allocated towards oil fields.

### Oil supply, demand and prices

According to the IEA's July Oil Market Report, global oil demand is expected to increase by approximately 1 mb/d in 2024 to reach an annual average of 103.1 mb/d. The Asian region is expected to be the main contributor to the global oil demand increase, mostly driven by an increase in Chinese demand of 0.4 mb/d. Total oil supply is expected to increase from an annual average of 102.2 mb/d in 2023 to 103.0 mb/d in 2024. The main regions contributing to this oil production increase are North America, (+0.8 mb/d) and Latin America (+0.5 mb/d). Meanwhile, the OPEC+ group <sup>(1)</sup> has executed a series of output cuts

in order to preserve market balance following a softening in market conditions from late 2022 onward. OPEC+ has laid out a path towards increasing production levels closer to full production capacity beginning in late 2024.

Over the first half of 2024, Brent <sup>(2)</sup> crude averaged \$83.7/barrel (versus \$79.6/barrel in H1 2023, an increase of around 5.2% year on year). WTI <sup>(3)</sup> followed a similar trend, averaging \$79.5/barrel compared to \$74.7/ barrel in H1 2023, an increase of approximately 6.4%.

### Global oil & gas investment

Upstream exploration & production (E&P) investment remain at a strong level. S&P Global's March 2024 estimates show that from the trough of \$300 bn of global E&P capex observed in 2020, capex grew by 22% in 2021, 40% in 2022, and 12% in 2023, ultimately reaching a level of \$577 bn in 2023. In 2024, IHS Markit forecasts E&P capex will increase a further 5% year-over-year, to \$603 bn. Latin America and Africa are expected to contribute the most in terms of absolute

spending increase (\$9 bn and \$7 bn, respectively). Globally speaking, offshore E&P spending in 2024 is expected to increase 16% year-over-year or \$29 bn, substantially outpacing onshore spending, which is forecast to fall by (1%) or (\$3 bn). Over the period 2023-2028, E&P capex is expected to increase at an annual compound growth rate of 4.6%.

(1) OPEC refers to the Organization of the Petroleum Exporting Countries, a group of 13 of the world's major oil-exporting nations including Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela (the five founders), plus Algeria, Angola, Congo, Equatorial Guinea, Gabon, Libya, Nigeria, and the United Arab Emirates. OPEC+ is a group that comprises the 13 member countries of OPEC and other oil-producing countries. These countries include Azerbaijan, Bahrain, Brunei, Equatorial Guinea, Kazakhstan, Russia, Mexico, Malaysia, South Sudan, Sudan, and Oman.

(2) Brent price: Bloomberg – data collected in July 2024.

(3) WTI price: Bloomberg – data collected in July 2024.

## The Oil & Gas market in North America

The vast majority of Vallourec's North American revenues are generated in the United States. Drilling activity levels and demand for Vallourec's products in the US has been lower in the first half of 2024 versus the first half of 2023 due to weakening gas prices and a muted response to slightly higher oil prices year-over-year. In the United States, the rig count – a measure of demand for Vallourec's products – averaged 613 over the first half of 2024, down (17%) versus the first half of 2023. As of the end of June 2024, the rig count stood at 581, down 40 from the start of the year.

Seamless OCTG prices in the United States <sup>(1)</sup> rose sharply in 2022, reaching \$4,308/metric ton in December 2022. Since that point, prices have declined following a high level of imports entering the market in early 2023, and weakening demand levels throughout 2023 and 2024. In December 2023, US seamless OCTG prices stood at \$2,502/metric ton, a 42% decrease year-over-year. Prices in 2024 have continued to decline but at a more moderate pace versus 2023. As of June 2024, US seamless OCTG prices were \$2,087/metric ton), down by 17% versus the year-end 2023 level.

## The Oil & Gas market in the Eastern Hemisphere

Vallourec's sales in the Eastern Hemisphere are largely generated in the Middle East, with smaller sales in Asia Pacific, Africa and Western Europe.

Drilling activity in the Middle East region has been increasing steadily since the end of 2020. The rig count increased at a 12% CAGR from year-end 2020 to year-end 2023. Over the first half of 2024, the rig count in the Middle East averaged 345, compared to an average of 329 in H1 2023, and averaged 342 in June 2024. Over the first half of 2024, the rig count in the Eastern Hemisphere ex-Middle East averaged 455 rigs, versus 427 rigs in H1 2023, and averaged 454 rigs in June 2024.

Seamless OCTG prices in the Middle East <sup>(2)</sup> rose from 2021 through 2023, reaching \$2,650/metric tonne in April 2023 and remaining broadly stable since that point. Prices in the first half of 2024 have averaged \$2,533/metric tonne, up slightly from the first half 2023 average of \$2,475/metric tonne. Pricing in June 2023 stood at \$2,500/metric tonne.

Seamless OCTG prices in the North Sea <sup>(3)</sup> rose from 2021 through 2023, reaching \$3,000/metric tonne in March 2023 and softening slightly since that point. Prices in the first half of 2024 have averaged \$2,758/metric tonne, down somewhat from the first half 2023 average of \$2,960/metric tonne. Pricing in June 2023 stood at \$2,800/metric tonne.

## The Oil & Gas market in South America

The vast majority of Vallourec's South America revenues are generated in Brazil. Drilling activity in Brazil has increased since the 2020 activity trough, with a more pronounced pick-up in 2022 and 2023. The rig count increased 50% from year-end 2021 to year-end 2022 and 17% from year-end 2022 to year-end 2023. Over the first half of 2024, the rig count in Brazil averaged 17 rigs, up versus the first half 2023 average of 15 rigs.

Activity in Brazil is heavily dependent on the activities of Petrobras, Brazil's National Oil Company. In its latest 5-year strategic plan for 2024-2028, Petrobras indicated a total capex budget of \$102 bn, of which \$73 bn, or 72% dedicated to exploration and production (E&P). Comparing to the 2023-2027 plan, this strategic capex plan represents a 31% increase, predominantly driven by new projects. Petrobras also indicates that 67% of the E&P capex budget will be dedicated to offshore pre-salt reservoirs, representing \$47 bn out of the \$73 bn.

(1) PipeLogix (reflects average pricing for all seamless products) – June 2024.

(2) Rystad Energy (OCTG pricing reflects price of L80 tubes (Premium) in Jebel Ali (Middle East) – June 2024.

(3) Rystad Energy (OCTG pricing reflects price of L80 tubes (Premium) in North Sea) – June 2024.

## Significant events

### Vallourec continues to implement its strategic plan with the arrival of the new reference shareholder ArcelorMittal

In March 2024, Vallourec announced that ArcelorMittal had reached an agreement to purchase Apollo's stake in Vallourec (65,243,206 shares) representing 28.4% of the voting rights and 27.5% of the share capital, at a price of €14.64 per share, for a total purchase price of €955 million. This marked the final step of the financial restructuring of Vallourec that was initiated in 2021, when Apollo became Vallourec's reference shareholder.

This new investment by a world-class industrial player speaks to the breadth of the operational turnaround executed since that time, as well as the robust outlook for the premium seamless tubes business over the coming years. The completion of the acquisition is expected to close in the second half of the year, after obtaining the relevant regulatory approvals.

### Completion of debt and liquidity refinancing

In April 2024, Vallourec executed a significant and holistic refinancing that has substantially extended its debt and liquidity maturities and reduced its financial costs. The key elements of this operation included:

- entry into a new upsized 5-year €550 million multi-currency revolving credit facility (RCF) with a substantially diversified, global banking group;
- entry into an upsized and extended 5-year \$350 million asset-backed lending facility (ABL) in the United States;
- issuance of 8-year \$820 million 7.5% senior notes, and entry into a cross-currency swap to hedge Vallourec's currency exposure on its new senior notes with a euro-effective interest rate of approximately 5.8%;
- redemption of the full €1,023 million of previously outstanding 8.5% Senior Notes due 2026;

- repayment of approximately €68 million of the €262 million PGE (prêts garantis par l'Etat) during the transaction and intended repayment of the remaining amount by December 31, 2024.

The successful completion of this refinancing further strengthens Vallourec's financial position and sustainably improves its cash flow generation. Accordingly, the Group will benefit from both greater visibility and financial flexibility over the coming years. Vallourec estimates that this process will generate a recurring net economic benefit in a range of €30 to €35 million per year.

Furthermore, Vallourec now maintains credit ratings with all three of the major ratings agencies. Vallourec's issuer rating with S&P has been upgraded for the fourth time since the New Vallourec plan was announced and now stands at BB+, Outlook stable. The Group furthermore welcomes the addition of Moody's and Fitch, which rate Vallourec Ba2, Outlook positive and BB+, Outlook positive, respectively.

### Vallourec receives necessary approvals to commence its Phase 1 mine extension project in Brazil

On July 2, 2024, Vallourec announced that it has received the necessary approvals from the state environmental authority (COPAM) and federal mining regulator (ANM) to progress the first extension phase of its Pau Branco iron ore mine.

The Phase 1 project will extend the Pau Branco mine's life, improve its reserve quality, and enhance its profitability. After this successful approval process, the capital investment related to the Phase 1

extension activities will begin on schedule. Vallourec therefore reiterates its expectations of a successful start-up of the Phase 1 extension in late 2024.

In-line with prior communication, Vallourec expects the Phase 2 mine extension to be completed in 2027. Vallourec management is currently engaging with state and national authorities to obtain the required production and environmental permits for Phase 2.

### Commercial successes

- In January 2024, Vallourec has signed a contract with TotalEnergies for the supply of casing and tubing and associated accessories for the first phase of the Gas Growth Integrated Project (GGIP) in Iraq. For the first thirty wells in the project, Vallourec will supply in aggregate 15,000 tonnes of VAM® of various tubes and connections, using the highest quality steel grades, from its Brazilian and European plants. Deliveries will start in 2024.
- In April 2024, Vallourec had secured a fourth major order in the framework of the Long-Term Agreement (LTA) signed in 2021 with ExxonMobil Guyana. Under the contract, Vallourec will deliver line pipe for ExxonMobil Guyana's deep-water Whiptail project. The Whiptail project is located in the Stabroek Block, a 26,800 km<sup>2</sup> strategic basin located off Guyana's continental shelf, where several important discoveries have been made since 2015. The Group will deliver over 180km of line pipe, including X80 grade (following the lots previously booked for the Uaru order).

- On June 2024, the Group announced that he had secured a contract to supply Petrobras with 1,800 tonnes of premium carbon steel tubes with Glass Reinforced Epoxy liners (GRE technology), together with the associated top-of-the-range CRA (Corrosion Resistant Alloy) accessories. These products will be used in various offshore development wells, mainly off the Brazilian coastline in the Campos pre-salt basin. This contract is in addition to the 3-year long-term agreement with Petrobras for the supply of OCTG tubes announced in January 2023.
- During the same month of June 2024, Vallourec announced the signature of a 5-year contract with Equinor in Brazil for the turnkey supply of premium tubes and connections, accessories, and services. Equinor, a global energy giant, is one of the largest oil producers in Brazil. Vallourec's low-carbon high performance OCTG solutions will contribute to the development of the Bacalhau and Raia fields operated in the pre-salt, as well as the Peregrino field in the post-salt, while contributing to Equinor's Energy Transition Plan to reach net zero by 2050.
- Also in June, 2024, Vallourec signed a two-year extension to the 2019 contract originally worth c. \$900 million with the National Oil Company of Abu Dhabi. This extension will take effect in January 2025 and will last up to January 2027. In addition to the extension, the contract has been amended to expand the initial contract scope of supply to also include a new range of services, such as local pipe coating as well as Vallourec's new digital solutions such as Tallyvision, which streamlines installation operations by providing full traceability for each tube. The customer will also continue to benefit from Vallourec's state-of-the-art yard (operational storage area), equipped with a 100% digital management system. Under this extension, Vallourec has also secured a new major order for the supply of 27,000 tonnes of tubes. These products will be manufactured in Vallourec plants in France, Brazil, China and Indonesia, taking advantage of the Group's strategic premium production hubs. Deliveries will start at the end of 2024. The Group will also be supporting its customer with its VAM® Field Service on-site assistance offering.

## Management changes

In February 2024, Vallourec announced the appointment of Damien Rebourg as Communication and Public Affairs Senior Vice President. He joined the Executive Committee in this capacity.

Starting May 1<sup>st</sup>, 2024, Ulrika Wising, Senior Vice President Energy Transition, has left the Group to pursue other personal projects.

The leadership of Delphy, Vallourec's safe and innovative large-scale vertical hydrogen storage solution, will report directly to Philippe Guillemot, CEO of Vallourec. This shift in management to the highest level of the Group underscores Delphy's strategic importance as a major Vallourec innovation with strong commercial potential.

At the same time, premium tubular solutions focusing on geothermal energy, hydrogen, carbon sequestration, solar energy and biomass will join the activities headed by Bertrand de Rotalier, now Head of

the Business Line which has been renamed "New Energies, Project Line Pipe and Process". This merging of business lines will support the development of the Group's in New Energies offering, further enhance its industrial and commercial performance, and support Vallourec's customers in their transition towards decarbonized energies.

This new organization confirms the relevance of the solutions provided by Vallourec to meet the challenges of the energy transition. Vallourec's goal is to become a key player of this energy transition, with 10-15% of Group EBITDA derived from New Energies by 2030.

In June 2024, Vallourec, announced the appointment of Andre Lacerda as Senior Vice President South America for the Tubes segment. In this capacity, he joins the Group's Executive Committee and will report to Bertrand Frischmann, Chief Operating Officer of the Americas.

## Transactions with related parties

Transactions carried out with equity affiliates in first-half 2024 relate mainly to purchases of steel slabs from HKM for an amount of €180 million.

## Main risks and uncertainties for 2024

Vallourec does not expect any change to its risks, as set out in section 3.1 "Risk factors" of the 2023 Universal Registration Document (*Document d'enregistrement universel*) filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 14, 2024, under n° D. 24-0113.

The conflict in Ukraine and the sanctions against Russia as well as the situation between Israel and Gaza in the Middle East are described in a specific paragraph of section 3.1 "Risk factors" of the Group's 2023 Universal Registration Document.

Furthermore, Vallourec has not identified any new risks that are not already addressed in the above section of the 2023 Universal Registration Document.

## Consolidated Group results

### Income statement

<i>€ million, unless noted</i>	First-Half 2023	First-Half 2024	Change
<b>Tubes volume sold</b> (in thousands of metric tons)	<b>827</b>	<b>643</b>	<b>(184)</b>
<b>Revenues</b>	<b>2,696</b>	<b>2,075</b>	<b>(621)</b>
Cost of sales <sup>(a)</sup>	(1,816)	(1,443)	373
<b>Industrial margin</b>	<b>880</b>	<b>631</b>	<b>(248)</b>
(as a % of revenue)	32.6%	30.4%	-2.2 pp
Selling, general and administrative expenses	(163)	(178)	15
(as a % of revenue)	(6.0%)	(8.6%)	2.6 pp
Other	(23)	(3)	20
<b>EBITDA</b>	<b>694</b>	<b>450</b>	<b>(244)</b>
(as a % of revenue)	25.7%	21.7%	-4.1 pp
Depreciation of industrial assets	(85)	(89)	(4)
Amortization and other depreciation	(19)	(17)	2
Impairment of assets	(8)	6	13
Asset disposals, restructuring costs and non-recurring items	(68)	(77)	(9)
<b>Operating income (loss)</b>	<b>514</b>	<b>273</b>	<b>(241)</b>
Financial income (loss)	(70)	37	107
<b>Pre-tax income (loss)</b>	<b>445</b>	<b>310</b>	<b>(134)</b>
Income tax	(123)	(86)	37
Share in net income (loss) of equity affiliates	-	1	1
<b>Net income</b>	<b>321</b>	<b>224</b>	<b>(97)</b>
Attributable to non-controlling interests	6	8	2
<b>Net income, Group share</b>	<b>315</b>	<b>216</b>	<b>(99)</b>
<b>Basic earnings per share (€)</b>	<b>1.36</b>	<b>0.94</b>	<b>(0.42)</b>
<b>Diluted earnings per share (€)</b>	<b>1.34</b>	<b>0.90</b>	<b>(0.44)</b>
Basic shares outstanding (millions)	232	230	(2)
Diluted shares outstanding (millions)	236	241	5

(a) Before depreciation and amortization.

### Tubes Sales Volume

The following table provides a summary of quarterly output, which corresponds to the volumes produced and shipped from Vallourec rolling mills, expressed in metric tonnes of hot-rolled seamless tubes:

<i>In thousands of tonnes</i>	2023	2024	Change
Q1	431	292	(139)
Q2	396	351	(45)
<b>TOTAL</b>	<b>827</b>	<b>643</b>	<b>(184)</b>

For the first half of 2024, Tubes volumes were down by 22% mainly driven by the decrease in Industry volumes following the closure of the European rolling mills and by lower volumes in Oil & Gas Tubes in North America.



## Mine Sales Volume

In millions of tonnes	2023	2024	Change
Q1	1.5	1.4	(0.1)
Q2	1.9	1.4	(0.5)
<b>TOTAL</b>	<b>3.4</b>	<b>2.8</b>	<b>(0.6)</b>

For the first half of 2024, iron ore mine production sold amounted to 2.8 million tonnes, decreasing by 0.6 million tonnes year over year.

## Revenue

### Consolidated revenue

In H1 2024, Vallourec recorded revenues of €2,075 million, down (23%) year over year, which was also (23%) at constant exchange rates. The decrease in Group revenues reflects:

- (22%) volume decrease mainly driven by the decrease in Industry volumes following the closure of the European rolling mills and by lower volumes in Oil & Gas Tubes in North America;

- 0.4% price/mix effect;
- (1%) Mine and Forest effect;
- (0.1%) currency effect.

### Tubes Revenues by Geographic Region

€ million, unless noted	First-Half 2023	First-Half 2024	Change	At constant exchange rate <sup>(a)</sup>
North America	1,321	833	-37.0%	-37.0%
South America	418	322	-23.0%	-22.8%
Middle East	269	409	52.0%	51.9%
Europe	254	99	-61.0%	-61.1%
Asia	127	176	38.2%	41.0%
Rest of World	148	124	-16.2%	-15.8%
<b>TOTAL TUBES</b>	<b>2,537</b>	<b>1,963</b>	<b>-22.6%</b>	<b>-22.5%</b>

(a) The change at constant exchange rates is defined as the change in revenue between two periods obtained by translating the revenue of consolidated subsidiaries whose functional currency is not the euro into euros at the average cumulative rate of the prior fiscal year. It does not include foreign currency impacts on sales entered by certain subsidiaries in currencies other than their functional currency. Rather, that impact is built into price/mix effects.

### Tubes Revenue by market

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

€ million, unless noted	First-Half 2023	First-Half 2024	Change	At constant exchange rate <sup>(a)</sup>
Oil & Gas and Petrochemicals	2,060	1,641	-20.4%	-20.3%
Industry	422	219	-48.2%	-48.1%
Other	55	103	86.9%	89.0%
<b>TOTAL TUBES</b>	<b>2,537</b>	<b>1,963</b>	<b>-22.6%</b>	<b>-22.5%</b>

(a) The change at constant exchange rates is defined as the change in revenue between two periods obtained by translating the revenue of consolidated subsidiaries whose functional currency is not the euro into euros at the average cumulative rate of the prior fiscal year. It does not include foreign currency impacts on sales entered into by certain subsidiaries in currencies other than their functional currency. Rather, that impact is built into price/mix effects.

## Results analysis by segment

### Tubes

For the first half of 2024, Tubes revenues were down 23% year over year due to a 22% reduction in volume sold. This decrease in shipments was largely attributable to the closure of Vallourec's German rolling operations as a result of the New Vallourec plan and decreased volume

sold in North America. Tubes EBITDA decreased from €609 million in H1 2023 to €430 million H1 2024 due to a decrease in profitability in North America offset by improvement in the rest of the world due to higher market pricing and the benefits of the New Vallourec plan.

### Mine & Forest

Mine & Forest iron ore production sold in H1 2024 was 2.8 million tonnes, decreasing by 0.6 million tonnes year over year. In H1 2024, Mine & Forest EBITDA reached €46 million, versus €98 million in

H1 2023, largely reflecting lower sales volumes, lower realized price, lower non-cash forest revaluation effects and higher costs.

### Revenue by quarter

<i>In € million</i>	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
2023	1,338	1,358	2,696
2024	990	1,085	2,075
% change year-on-year			
Volume effect	-32%	-12%	-22.%
Price/mix effect	7%	-7%	0.4%
Mine & Forest effect	-1%	-1%	-1%
Currency effect	0.1%	-0.3%	-0.1%

**In the Second Quarter of 2024, Vallourec recorded revenues of €1,085 million, down (20%) year over year**, which was also (20%) at constant exchange rates. The decrease in Group revenues reflects:

- (12%) volume decrease mainly driven by the closure of the European rolling mills and decreased volume sold in North America;

- (7%) price/mix effect;
- (1%) Mine and Forest effect;
- (0.3%) currency effect.

### EBITDA

For the first half of 2024, EBITDA amounted to €450 million, or 21.7% of revenues, compared to €694 million (25.7% of revenues) in H1 2023. The decrease was largely driven by lower average selling prices in Tubes in North America, partly offset by improved Tubes results outside of North America due to higher market pricing and the benefits of the New Vallourec plan.

The following table shows the changes in the principal components of EBITDA in H1 2023 and H1 2024.

<i>€ million, unless noted</i>	First-Half 2023	First-Half 2024	Change
<b>Revenues</b>	<b>2,696</b>	<b>2,075</b>	<b>(621)</b>
Cost of sales <sup>(a)</sup>	(1,816)	(1,443)	373
<b>Industrial margin</b>	<b>880</b>	<b>631</b>	<b>(248)</b>
<i>(as a % of revenue)</i>	32.6%	30.4%	-2.2 pp
Selling, general and administrative expenses	(163)	(178)	(15)
<i>(as a % of revenue)</i>	-6.0%	-8.6%	-2.6 pp
Other	(23)	(3)	20
<b>EBITDA</b>	<b>694</b>	<b>450</b>	<b>(244)</b>

(a) Before depreciation and amortization.

## Industrial margin

Industrial margin is defined as the difference between revenue and cost of sales (excluding depreciation).

The following table shows the breakdown of cost of sales (excluding depreciation) in H1 2023 and H1 2024.

**Industrial margin decreased to €631 million, or 30.4% of revenues,** versus €880 million or 32.6% of revenues in H1 2023.

€ million, unless noted	First-Half 2023	First-Half 2024	Change
Direct cost of sales	(149)	(119)	30
Cost of raw materials consumed	(704)	(572)	132
Labor costs	(360)	(286)	74
Other manufacturing costs <sup>(a)</sup>	(557)	(473)	84
Change in non-raw materials inventories	(46)	6	52
<b>COST OF SALES (EXCLUDING DEPRECIATION)</b>	<b>(1,816)</b>	<b>(1,443)</b>	<b>373</b>

(a) "Other manufacturing costs" mainly include the costs of energy and consumables, and the costs of outsourcing, maintenance.

## Selling, general and administrative expenses

Sales, general and administrative expenses (SG&A) amounted to €178 million, or 8.6% of revenue, versus €163 million and 6.0% of revenue in H1 2023.

The following table shows the breakdown of SG&A expenses (excluding depreciation) in H1 2023 and in H1 2024.

€ million, unless noted	First-Half 2023	First-Half 2024	Change
Research and development expenses	(13)	(15)	(2)
Selling and marketing costs	(32)	(30)	2
General and administrative expenses	(118)	(133)	(15)
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(163)</b>	<b>(178)</b>	<b>(15)</b>

## Personnel expenses

Personnel expenses amounted to €380 million in H1 2024.

The following table shows the breakdown of personnel costs.

€ million, unless noted	First-Half 2023	First-Half 2024	Change
Wages and salaries	(352)	(277)	75
Employee profit-sharing and bonuses	(22)	(11)	11
Expenses related to share subscription and share purchase options and performance shares	(8)	(29)	(21)
Social security costs	(80)	(63)	17
<b>TOTAL</b>	<b>(461)</b>	<b>(380)</b>	<b>81</b>

Closing headcount of consolidated companies	06/30/2023	12/31/2023	06/30/2024	Change vs. 12/31/2023
Managers	2,708	2,703	2,663	(40)
Technical and supervisory staff	1,981	1,877	1,695	(182)
Production staff	11,077	10,768	9,862	(906)
<b>TOTAL</b>	<b>15,766</b>	<b>15,348</b>	<b>14,220</b>	<b>(1,128)</b>

## Operating profit/(loss)

**In H1 2024, Operating income was positive at €273 million,** comparing to €514 million in H1 2023. Operating income was burdened by (€77) million of asset disposals, restructuring costs and non-recurring items, largely due to costs related to the closure of Vallourec's German operations.

## Financial income/(loss)

**Financial income (loss) was positive at €37 million**, compared to (€70) million in H1 2023. Net interest income in H1 2024 was €23 million compared to (€54) million in H1 2023. Vallourec's balance sheet refinancing had a net positive impact of approximately €70 million mainly related to the reversal of fair value accounting on the 2026 senior notes and State-guaranteed loan (PGE), of which €44 million impacted interest income.

The following table shows the breakdown of financial income/(loss).

€ million, unless noted	First-Half 2023	First-Half 2024	Change
Financial income	7	18	11
Interest expenses	(60)	4	64
<b>Net interest expenses</b>	<b>(53)</b>	<b>23</b>	<b>77</b>
Other financial income and expenses	(11)	19	30
Financial restructuring costs	-	-	-
Interest expenses on leases	(4)	(3)	1
Other discounting expenses	(1)	(2)	(1)
<b>FINANCIAL INCOME/(LOSS)</b>	<b>(70)</b>	<b>37</b>	<b>107</b>

## Income tax expense

**Income tax amounted to (€86) million** compared to (€123) million in H1 2023.

## Net income/(loss)

**This resulted in positive net income, Group share, of €216 million, representing a margin of 10.4%**, compared to €315 million in H1 2023.

**Earnings per diluted share was €0.90** versus €1.34 in H1 2023, reflecting the above changes in net income as well as an increase in potentially dilutive shares largely related to the Company's outstanding warrants, which are accounted for using the treasury share method.

## Liquidity and capital resources

### Cash Flow Results Analysis

€ million, unless noted	First-Half 2023	First-Half 2024	Change
<b>EBITDA</b>	<b>694</b>	<b>450</b>	<b>(244)</b>
Non-cash items in EBITDA	(8)	9	17
Financial cash out	(79)	(60)	19
Tax payments	(76)	(68)	8
<b>Adjusted operating cash flow</b>	<b>531</b>	<b>330</b>	<b>(200)</b>
Change in working capital	(44)	8	52
Gross capital expenditure	(119)	(85)	34
<b>Adjusted free cash flow</b>	<b>368</b>	<b>253</b>	<b>(115)</b>
Restructuring charges & non-recurring items	(106)	(138)	(32)
Asset disposals & other cash items (A)	7	28	21
<b>Total cash generation (B)</b>	<b>269</b>	<b>143</b>	<b>(126)</b>
Non-cash adjustments to net debt	(7)	63	70
<b>(Increase) decrease in net debt</b>	<b>262</b>	<b>206</b>	<b>(56)</b>

**For the first half of 2024, adjusted operating cash flow was €330 million** versus €531 million in H1 2023. The decrease was attributable to lower EBITDA, offset by reduced financial cash out.

Financial cash out in the period included approximately (€10) million of one-time costs related to the balance sheet refinancing.

For the first half of 2024, adjusted free cash flow was €253 million, versus €368 million in H1 2023. Lower adjusted operating cash flow was partially offset by a release in working capital and lower capex versus the prior year period.

For the first half of 2024, total cash generation amounted to €143 million, versus €269 million in H1 2023. The decrease was attributable to lower adjusted free cash flow as well as higher restructuring charges and non-recurring items.

### Industrial capital expenditure excluding changes in scope (property, plant and equipment, intangible and biological assets)

The capital expenditures in H1 2024 totaled (€85) million, a decrease of €35 million versus H1 2023 that stood at (€119) million. The investments completed during H1 2024 aimed at improving efficiency of existing assets notably located in Brazil and North America.

€ million, unless noted	First-Half 2023	First-Half 2024
North America Tubes	(15)	(19)
South America Tubes	(82)	(41)
Eastern Hemisphere Tubes	(9)	(9)
<b>TOTAL TUBES</b>	<b>(106)</b>	<b>(69)</b>
Mine and Forest	(12)	(14)
Holding companies and other	(1)	(2)
<b>TOTAL GROUP</b>	<b>(119)</b>	<b>(85)</b>

### Liquidity and Indebtedness

The majority of bank financing has been put in place in Europe through Vallourec and, to a lesser extent, the subsidiaries in Brazil and the US. Market financing is arranged exclusively by Vallourec.

As of June 30, 2024, net debt <sup>(1)</sup> stood at €364 million, a significant decrease compared to €868 million on June 30, 2023. Gross debt amounted to €1,082 million, down from €1,724 million on June 30, 2023. Long-term debt amounted to €772 million and short-term debt totaled €310 million. There were €80m of non-cash reductions to net

debt in Q2, which included €44 million of fair value adjustments related to the April balance sheet refinancing.

As of June 30, 2024, the liquidity position was very strong at €1,498 million, with cash amounting to €720 million, availability on our revolving credit facility (RCF) of €550 million, and availability on an asset-backed lending facility (ABL) of €228 million <sup>(2)</sup>.

The following table shows the Group's principal financial indebtedness.

€ million, unless noted	12/31/2023	06/30/2024
8.500% 5-year EUR Senior Notes due 2026	1,105	-
7.500% 8-year USD Senior Notes due 2032	-	748
1.837% PGE due 2027 <sup>(a)</sup>	229	193
ACC ACE <sup>(b)</sup>	94	109
Other	42	32
<b>TOTAL GROSS FINANCIAL INDEBTEDNESS</b>	<b>1,470</b>	<b>1,082</b>
Cash and cash equivalents	900	720
Fair value of cross currency swap <sup>(c)</sup>	-	2
<b>TOTAL NET FINANCIAL INDEBTEDNESS</b>	<b>570</b>	<b>364</b>

(a) Maturity prior refinancing was 2027. Intended repayment of the remaining amount by Dec. 2024.

(b) Refers to ACC (Advances on Foreign Exchange Contract) and ACE (Advances on Export Shipment Documents) program in Brazil.

(c) Vallourec entered into 4-year cross-currency swaps (CCS) to hedge the EUR/USD currency exposure related to its USD 2032 Senior Notes. The fair value of the CCS related to the EUR/USD hedging of the principal of the notes is consequently included in net debt definition.

### Equity

Equity, Group share, totaled €2,311 million as of 30 June 2024, an increase of €154 million compared with €2,157 million as at 31 December 2023. This increase is mainly explained by the Group's positive net result recorded in H1 2024 for an amount of €216 million.

(1) Vallourec entered into 4-year cross-currency swaps (CCS) to hedge the EUR/USD currency exposure related to its USD 2032 Senior Notes. The fair value of the CCS related to the EUR/USD hedging of the principal of the notes is consequently included in the net debt definition.

(2) As of June 30, 2024, the borrowing base for this facility was approximately \$253 million, and \$9 million in letters of credit and other commitments were issued.



# VALLOUREC GROUP INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

3.1	Vallourec Group consolidated income statement	13
3.2	Statement of comprehensive income	14
3.3	Statement of cash flows	15
3.4	Vallourec Group statement of financial position	16
3.5	Statement of changes in equity	17
3.6	Statement of changes in non-controlling interests	18

### 3.1 Vallourec Group consolidated income statement

<i>In € thousands</i>	Notes	First-half 2023	First-half 2024
<b>Revenue</b>		<b>2,695,735</b>	<b>2,074,723</b>
Cost of sales <sup>(a)</sup>	3.1	(1,815,975)	(1,443,268)
Selling, general and administrative expenses <sup>(a)</sup>	3.1	(162,819)	(178,292)
Other	3.1	(23,083)	(3,411)
<b>EBITDA</b>	<b>3.1</b>	<b>693,858</b>	<b>449,752</b>
Depreciation and amortization	3.2	(104,073)	(105,589)
Impairment of assets and goodwill		(7,607)	5,635
Asset disposals, restructuring costs and non-recurring items	3.3	(67,896)	(76,508)
<b>Operating income</b>		<b>514,282</b>	<b>273,290</b>
Interest income	8.1.1	6,820	18,176
Interest expense	8.1.1	(60,368)	4,432
<b>Net interest expense</b>	<b>8.1.1</b>	<b>(53,548)</b>	<b>22,608</b>
Other financial income and expenses	8.1.1	(16,232)	14,166
<b>Net financial income (loss)</b>	<b>8.1.1</b>	<b>(69,780)</b>	<b>36,774</b>
<b>Pre-tax income (loss)</b>		<b>444,502</b>	<b>310,064</b>
Income tax	4	(122,944)	(86,441)
Share in net income (loss) of equity-accounted companies		(200)	729
<b>Net income from continuing operations</b>		<b>321,358</b>	<b>224,352</b>
<b>Net income</b>		<b>321,358</b>	<b>224,352</b>
Attributable to non-controlling interests		6,353	8,432
<b>Group share</b>		<b>315,005</b>	<b>215,920</b>
Basic earnings per share	7.3	1.36	0.94
Diluted earnings per share	7.3	1.34	0.90

(a) Before depreciation and amortization.

## 3.2 Statement of comprehensive income

<i>In € thousands</i>	First-half 2023	First-half 2024
<b>Net income</b>	<b>321,358</b>	<b>224,352</b>
Other items of comprehensive income	-	-
Actuarial gains and losses on post-employment benefits	(640)	10,818
Tax attributable to actuarial gains and losses on post-employment benefits	(57)	(795)
<b>Items that will not be reclassified to profit or loss</b>	<b>(697)</b>	<b>10,023</b>
Translation differences on translating net assets of foreign operations	50,705	(49,779)
Change in fair value of hedging instruments	17,124	(69,996)
Tax attributable to the change in fair value of hedging instruments	(4,875)	20,162
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>62,954</b>	<b>(99,613)</b>
<b>Other comprehensive income (loss) (net of tax)</b>	<b>62,257</b>	<b>(89,590)</b>
<b>Total comprehensive income</b>	<b>383,615</b>	<b>134,763</b>
Attributable to non-controlling interests	6,650	8,881
<b>Group share</b>	<b>376,965</b>	<b>125,882</b>



### 3.3 Statement of cash flows

<i>In € thousands</i>	Notes	First-half 2023	First-half 2024
<b>Net income</b>		<b>321,358</b>	<b>224,352</b>
Net additions to depreciation, amortization and provisions	3.4	63,826	12,518
Unrealized gains and losses on changes in fair value		576	42,920
Capital gains and losses on disposals of non-current assets and equity interests		527	(898)
Share in net income (loss) of equity-accounted companies		200	(729)
Other cash flows from operating activities		(161)	(34,068)
<b>Cash flow from operating activities after cost of net debt and taxes</b>		<b>386,326</b>	<b>244,093</b>
Net interest expense	8.1.1	53,548	(22,608)
Tax expense (including deferred taxes)	4	122,944	86,441
<b>Cash flow from operating activities before cost of net debt and taxes</b>		<b>562,818</b>	<b>307,926</b>
Interest paid		(68,476)	(69,728)
Tax paid		(76,085)	(68,421)
Interest received		6,824	18,254
<b>Cash flow from operating activities</b>		<b>425,081</b>	<b>188,031</b>
Change in operating working capital	3.5	(44,408)	7,659
<b>Net cash from operating activities</b>		<b>380,673</b>	<b>195,690</b>
Acquisitions of property, plant and equipment, and intangible and biological assets	5.2	(119,168)	(84,817)
Disposals of property, plant and equipment and intangible assets		18,011	20,752
Acquisition of subsidiary, net of cash acquired		1,953	2,733
Disposal of discontinued operations, net of cash disposed of		-	-
Other cash flows from investing activities		160	399
<b>Net cash from (used in) investing activities</b>		<b>(99,044)</b>	<b>(60,933)</b>
Increase or decrease in equity		-	-
Dividends paid to non-controlling interests		(2,875)	(890)
Proceeds from new borrowings	8.1.2	41,242	789,894
Repayments of borrowings	8.1.2	445	(1,106,074)
Repayment of lease liabilities		(11,626)	(10,808)
Other cash flows from (used in) financing activities		(672)	16,062
<b>Net cash from financing activities</b>		<b>26,514</b>	<b>(311,816)</b>
<b>Impact of reclassification to assets held for sale and discontinued operations</b>		<b>(2)</b>	<b>-</b>
<b>CHANGE IN NET CASH</b>		<b>308,141</b>	<b>(177,059)</b>
<b>Opening net cash</b>		<b>546,788</b>	<b>898,215</b>
Impact of changes in exchange rates		(4,088)	(2,097)
<b>Closing net cash</b>		<b>850,841</b>	<b>719,059</b>
<b>Change excluding forex impact</b>		<b>308,141</b>	<b>(177,059)</b>

The statement of cash flows has been prepared on the basis of cash and cash equivalents as detailed in Note 8.1, net of overdrafts and other short-term bank facilities with an initial maturity of less than three months.

### 3.4 Vallourec Group statement of financial position

<i>In € thousands</i>	Notes	Dec. 31, 2023	June 30, 2024
<b>NON-CURRENT ASSETS</b>			
Net intangible assets		42,037	36,943
Goodwill		39,817	36,501
Net property, plant and equipment		1,980,445	1,885,205
Biological assets		69,704	58,561
Investments in equity-accounted companies		15,736	16,971
Other non-current financial assets	8.3.1	74,196	55,084
Other non-current assets	8.3.1	85,090	76,661
Deferred taxes		208,576	209,292
<b>Total non-current assets</b>		<b>2,515,601</b>	<b>2,375,218</b>
<b>CURRENT ASSETS</b>			
Inventories		1,241,798	1,239,745
Trade and other receivables		756,060	715,959
Other current financial assets	8.3.1	58,993	31,646
Other current assets	8.3.1	239,771	242,115
Cash and cash equivalents	8.1	899,948	719,794
<b>Total current assets</b>		<b>3,196,570</b>	<b>2,949,259</b>
Assets held for sale and discontinued operations		1,081	984
<b>TOTAL ASSETS</b>		<b>5,713,252</b>	<b>5,325,461</b>

<i>In € thousands</i>	Notes	Dec. 31, 2023	June 30, 2024
<b>EQUITY</b>			
Equity attributable to owners of the parent	7.1	2,156,640	2,310,885
Non-controlling interests		67,041	76,864
<b>Total equity</b>		<b>2,223,681</b>	<b>2,387,749</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans and other borrowings	8.1	1,348,131	771,971
Employee benefits	9	102,069	80,978
Long-term provisions	10	200,798	169,896
Deferred taxes		83,354	83,647
Other non-current financial liabilities	8.2	115,742	109,586
Other non-current liabilities		39,867	17,478
<b>Total non-current liabilities</b>		<b>1,889,961</b>	<b>1,233,556</b>
<b>CURRENT LIABILITIES</b>			
Overdrafts and other short-term bank facilities	8.1	122,197	309,787
Short-term provisions	10	249,405	181,069
Trade payables		762,508	816,518
Other current financial liabilities	8.2	95,850	118,587
Other current liabilities		369,650	278,195
<b>Total current liabilities</b>		<b>1,599,610</b>	<b>1,704,156</b>
Liabilities related to assets held for sale and discontinued operations			
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,713,252</b>	<b>5,325,461</b>

### 3.5 Statement of changes in equity

	Share capital	Additional paid-in capital	Consolidated reserves	Foreign currency translation reserve	Revaluation reserve, net of tax	Treasury shares	Net income for the period	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>AS AT DEC. 31, 2022</b>	<b>4,636</b>	<b>3,951,472</b>	<b>(1,189,552)</b>	<b>(751,355)</b>	<b>(5,009)</b>	<b>(557)</b>	<b>(366,383)</b>	<b>1,643,252</b>	<b>42,356</b>	<b>1,685,608</b>
Change in foreign currency translation reserve	-	-	-	50,393	-	-	-	50,393	312	50,705
Financial instruments	-	-	-	-	12,258	-	-	12,258	(9)	12,249
Actuarial gains and losses on retirement commitments	-	-	(691)	-	-	-	-	(691)	(6)	(697)
Other comprehensive income	-	-	(691)	50,393	12,258	-	-	61,960	297	62,257
<b>Net income for first-half 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,005</b>	<b>315,005</b>	<b>6,353</b>	<b>321,358</b>
Total comprehensive income	-	-	(691)	50,393	12,258	-	315,005	376,965	6,650	383,615
Appropriation of 2022 net income (loss)	-	-	(366,383)	-	-	-	366,383	-	-	-
Capital increase	75	(75)	-	-	-	-	-	-	-	-
Change in treasury shares	-	-	(557)	-	-	557	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(2,685)	(2,685)
Share-based payments	-	-	8,049	-	-	-	-	8,049	-	8,049
Changes in consolidation scope and other	-	-	(5,322)	2,944	-	-	-	(2,378)	2,089	(289)
<b>AS AT JUNE 30, 2023</b>	<b>4,711</b>	<b>3,951,397</b>	<b>(1,554,456)</b>	<b>(698,018)</b>	<b>7,249</b>	<b>-</b>	<b>315,005</b>	<b>2,025,888</b>	<b>48,410</b>	<b>2,074,298</b>
<b>AS AT DEC. 31, 2023</b>	<b>4,745</b>	<b>3,955,689</b>	<b>(1,549,682)</b>	<b>(756,072)</b>	<b>6,050</b>	<b>-</b>	<b>495,910</b>	<b>2,156,640</b>	<b>67,041</b>	<b>2,223,681</b>
Change in foreign currency translation reserve	-	-	-	(50,204)	-	-	-	(50,204)	426	(49,779)
Financial instruments	-	-	-	-	(49,834)	-	-	(49,834)	-	(49,834)
Actuarial gains and losses on retirement commitments	-	-	10,000	-	-	-	-	10,000	23	10,023
Other comprehensive income	-	-	10,000	(50,204)	(49,834)	-	-	(90,038)	449	(89,590)
<b>Net income for first-half 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215,920</b>	<b>215,920</b>	<b>8,432</b>	<b>224,352</b>
Total comprehensive income	-	-	10,000	(50,204)	(49,834)	-	215,920	125,882	8,881	134,763
Appropriation of 2023 net income	-	-	495,910	-	-	-	(495,910)	-	-	-
Capital increase	-	-	-	-	-	-	-	-	-	-
Change in treasury shares	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(833)	(833)
Share-based payments	-	-	28,560	-	-	-	-	28,560	-	28,560
Changes in consolidation scope and other	-	-	(195)	(2)	-	-	-	(197)	1,775	1,578
<b>AS AT JUNE 30, 2024</b>	<b>4,745</b>	<b>3,955,689</b>	<b>(1,015,407)</b>	<b>(806,278)</b>	<b>(43,784)</b>	<b>-</b>	<b>215,920</b>	<b>2,310,885</b>	<b>76,864</b>	<b>2,387,749</b>

### 3.6 Statement of changes in non-controlling interests

<i>In € thousands</i>	Consolidated reserves	Foreign currency translation reserve	Revaluation reserve, net of tax	Net income (loss) for the period	Non-controlling interests
<b>AS AT DEC. 31, 2022</b>	<b>33,293</b>	<b>5,545</b>	<b>842</b>	<b>2,676</b>	<b>42,356</b>
Change in foreign currency translation reserve	-	312	-	-	312
Financial instruments	-	-	(9)	-	(9)
Actuarial gains and losses on retirement commitments	(6)	-	-	-	(6)
Other comprehensive income	(6)	312	(9)	-	297
<b>Net income for first-half 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,353</b>	<b>6,353</b>
Total comprehensive income	(6)	312	(9)	6,353	6,650
Appropriation of 2022 net income (loss)	2,676	-	-	(2,676)	-
Dividends paid	(2,685)	-	-	-	(2,685)
Changes in consolidation scope and other	2,317	(227)	(1)	-	2,089
<b>AS AT JUNE 30, 2023</b>	<b>35,595</b>	<b>5,630</b>	<b>832</b>	<b>6,353</b>	<b>48,410</b>
<b>AS AT DEC. 31, 2023</b>	<b>33,695</b>	<b>4,506</b>	<b>841</b>	<b>27,999</b>	<b>67,041</b>
Change in foreign currency translation reserve	0	426	0	0	426
Financial instruments	0	0	0	0	0
Actuarial gains and losses on retirement commitments	23	0	0	0	23
Other comprehensive income	23	426	0	0	449
<b>Net income for first-half 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,432</b>	<b>8,432</b>
Total comprehensive income	23	426	0	8,432	8,881
Appropriation of 2023 net income	27,999	0	0	(27,999)	0
Dividends paid	(833)	0	0	0	(833)
Changes in consolidation scope and other	1,696	79	0	0	1,775
<b>AS AT JUNE 30, 2024</b>	<b>62,580</b>	<b>5,011</b>	<b>841</b>	<b>8,432</b>	<b>76,864</b>

## Notes to the consolidated financial statements for the six months ended June 30, 2024

<b>Note 1</b>	Accounting standards and basis for the preparation of the consolidated financial statements	20	<b>Note 5</b>	Property, plant and equipment, intangible assets, goodwill and biological assets	28
1.1	Accounting standards	20	5.1	Impairment tests	28
1.2	Measurement basis and presentation of the consolidated financial statements	20	5.2	Reconciliation of outflows related to acquisitions of non-current assets with the statement of cash flows	28
1.3	Features specific to the preparation of interim financial statements	21	<b>Note 6</b>	Related-party transactions	28
<b>Note 2</b>	Key events during the period	21	<b>Note 7</b>	Equity, share-based payments and earnings per share	28
2.1	Vallourec continues to implement its strategic plan with the arrival of the new reference shareholder ArcelorMittal	21	7.1	Equity attributable to owners of the parent	28
2.2	Completion of debt and liquidity refinancing	22	7.2	Share-based payments	29
<b>Note 3</b>	Operating activities	22	7.3	Earnings per share	31
3.1	EBITDA	26	<b>Note 8</b>	Financing and financial instruments	31
3.2	Depreciation and amortization	26	8.1	Net debt	31
3.3	Asset disposals, restructuring costs and non-recurring items	26	8.2	Other financial liabilities	34
3.4	Reconciliation of net additions to depreciation, amortization and provisions with the statement of cash flows	27	8.3	Financial instruments	34
3.5	Reconciliation of working capital	27	<b>Note 9</b>	Employee benefit obligations	36
<b>Note 4</b>	Income tax	27	<b>Note 10</b>	Provisions for contingencies and charges and contingent liabilities	36
			<b>Note 11</b>	Scope of consolidation	36
			<b>Note 12</b>	Subsequent events	36

The Group's reporting currency is the euro. All amounts are expressed in thousands of euro (€ thousands), unless otherwise stated. Certain numerical figures contained in this document, including financial information and certain operating data, have been subject to rounding adjustments.

## Note 1 • Accounting standards and basis for the preparation of the consolidated financial statements

### 1.1 Accounting standards

The interim condensed consolidated financial statements for the six months ended June 30, 2024 together with the explanatory notes were approved for issue by the Board of Directors of Vallourec on July 25, 2024.

In application of Regulation No. 1606/2002 of the European Commission, which was adopted on July 19, 2002 for all listed companies in the European Union, the interim condensed consolidated financial statements for the six months ended June 30, 2024 were prepared in accordance with IFRS® Accounting Standards, referred to as IFRS, based on the standards and interpretations applicable at that date.

The accounting principles and valuation methods applied are identical to those used to prepare the 2023 consolidated financial statements, with the exception of any changes made pursuant to the application of the new standards and amendments mandatory for financial periods beginning on or after January 1, 2024.

The interim consolidated financial statements were prepared in accordance with IAS 34 "Interim Financial Information".

The purpose of interim financial statements is to update shareholders and investors with relevant information about the significant events and transactions of the period in a selection of explanatory notes explaining the significant changes in the statement of financial position between December 31, 2023 and June 30, 2024, as well as the main transactions contributing to the Group's results for first-half 2024. The interim financial statements do not comprise all of the information required for a complete set of annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2023, filed with the French securities regulator (*Autorité des marchés financiers* – AMF) on March 14, 2024 (available on the corporate website at [www.vallourec.com](http://www.vallourec.com)).

#### 1.1.1 NEW MANDATORY STANDARDS

The new mandatory standards and amendments applicable to financial periods beginning on or after January 1, 2024 correspond to amendments to IAS 1 ("Presentation of Financial Statements"), IAS 7 ("Statement of Cash Flows"), IFRS 7 ("Financial Instruments: Disclosures"), and IFRS 16 ("Leases").

These amendments are implemented within the Group and have no material impact on the Group's consolidated financial statements.

#### 1.1.2 NEW STANDARDS NOT EARLY ADOPTED

The Group has not elected to early adopt any other standards or interpretations that are mandatory for financial periods beginning on or after January 1, 2025.

### 1.2 Measurement basis and presentation of the consolidated financial statements

#### ESTIMATES

The preparation of interim financial statements may be based to a greater extent on estimates rather than on annual financial data when determining the value of assets and liabilities and assessing positive and negative developments at the closing date, and income and expenses for the period.

The preparation of IFRS consolidated financial statements requires Vallourec's management to use estimates and assumptions that affect the carrying amounts of certain assets and liabilities, income and expenses, as well as certain information in the explanatory notes. The main estimates and assumptions are identical to those described in the notes to the consolidated financial statements for the year ended December 31, 2023.

The interim financial statements have been prepared according to the same accounting rules and methods as those used to prepare the annual consolidated financial statements, with the exception of any changes in method during the period. However, in accordance with IAS 34, for interim financial statements, certain measurements, unless otherwise indicated, may be based more on estimates rather than on annual financial data.

The Group primarily reviewed the following estimates for the interim closing:

- the recoverable amount of property, plant and equipment, intangible assets and goodwill (see Note 5);
- provisions for disputes, onerous contracts, restructuring and contingent liabilities (see Note 10);
- fair value of derivatives (see note 8).

## JUDGMENT

In addition to the use of estimates, the Group's management uses judgment in determining the appropriate accounting treatment for certain activities and transactions, in particular when existing IFRS and interpretations do not specifically address the accounting matters in question.

In particular, the Group used judgment in assessing the nature of control.

## TRANSLATION OF FOREIGN CURRENCY

The main exchange rates used (euro/currency) are as follows:

	USD	GBP	BRL	CNY
<b>As at June 30, 2023</b>				
Average rate	1.08	0.88	5.48	7.49
Closing rate	1.09	0.86	5.28	7.90
<b>As at June 30, 2024</b>				
Average rate	1.08	0.85	5.49	7.80
Closing rate	1.07	0.85	5.89	7.77

## 1.3 Features specific to the preparation of interim financial statements

### INCOME TAX

The tax expense, in accordance with IAS 34, is based on the book income before tax of first-half 2024 effected by an estimated effective tax rate assessed by jurisdiction and for the fiscal year.

Pillar Two legislation has been enacted in France, under the jurisdiction of Vallourec S.A., the parent company of the Group. The legislation is

effective for the Company's financial year beginning January 1, 2024. Based on the applicable criteria, Vallourec S.A. the Company is subject to Pillar Two minimum tax. Based on the calculations performed, there is no material impact of the Pillar Two legislation on the consolidated financial statements.

### RETIREMENT BENEFITS

The cost of retirement benefits for interim periods is determined using actuarial assessments conducted at the end of the previous financial period. These assessments may be adjusted to take account of any significant curtailments, settlements or other non-recurring

events during the period. In addition, the amounts recorded in the statement of financial position for defined benefit plans are adjusted to take account of changes in discount rates, the fair value of plan assets and actual service costs for the period.

## Note 2 • Key events during the period

### 2.1 Vallourec continues to implement its strategic plan with the arrival of the new reference shareholder ArcelorMittal

In March 2024, Vallourec announced that ArcelorMittal had reached an agreement to purchase Apollo's stake in Vallourec (65,243,206 shares) representing 28.4% of the voting rights and 27.5% of the share capital, at a price of €14.64 per share, for a total purchase price of €955 million. This marked the final step of the financial restructuring of Vallourec initiated in 2021, when Apollo became Vallourec's reference shareholder.

This new investment by a world-class industrial player speaks to the breadth of the operational turnaround since that time, as well as the robust outlook for the premium seamless tubes business over the coming years. The acquisition is expected to close in the second half of the year, after obtaining the relevant regulatory approvals.

## 2.2 Completion of debt and liquidity refinancing

In April 2024, Vallourec executed a significant and holistic refinancing that has substantially extended its debt and liquidity maturities and reduced its financial costs. The key elements of this operation include:

- entry into a new 5-year €550 million multi-currency revolving credit facility (RCF) with a substantially diversified, global banking group;
- entry into an upsized and extended 5-year \$350 million asset-backed lending facility (ABL) in the United States;
- issuance of 8-year \$820 million 7.5% senior notes and entry into a cross-currency swap to hedge Vallourec's currency exposure on its new senior notes with a euro equivalent coupon of approximately 5.8%;
- redemption of the entire €1,023 million of previously outstanding 8.5% senior notes due 2026;

- repayment of approximately €68 million of the €262 million State-guaranteed loan (*Prêt Garantis par l'Etat*) during the transaction and intended repayment of the remaining amount by December 31, 2024.

The successful completion of this refinancing further strengthens Vallourec's financial position and sustainably improves its cash flow generation. Accordingly, the Group will benefit from both greater visibility and financial flexibility over the coming years. Vallourec estimates that this process will generate a recurring net economic benefit in a range of €30 million to €35 million per year.

Furthermore, Vallourec now maintains credit ratings with all three of the major ratings agencies. Vallourec's issuer rating with S&P has been upgraded for the fourth time since it announced the New Vallourec plan and now stands at BB+, Outlook stable. Moody's and Fitch now rate Vallourec Ba2, Outlook positive and BB+, Outlook positive, respectively (see note 8).

## Note 3 • Operating activities

The Vallourec Group is a world leader in premium tubular solutions, primarily for the Oil & Gas, Industry, and Energy markets. Originally based in France and Germany, Vallourec now has frontline positions in the United States, Brazil, Europe, the Middle East and Asia. The Group provides a wide range of premium tubular solutions – high-performance solutions whose manufacturing requires significant technological and industrial expertise – in addition to related specialized services that provide customers with a comprehensive range of innovative solutions. The Group's customer-focused organizational

structure is designed to provide a growing number of integrated services for delivery of comprehensive turnkey solutions and involves analyzing financial information based on a number of dimensions (markets, regions, sites, and products). None of these dimensions taken independently can comprehensively measure profits and losses or assets and liabilities for individual segments.

The Group monitors its performance and profitability and consequently presents its segment information based on the following operating segments:

### TUBES

This segment covers all entities with production and marketing facilities dedicated to the Group's main business, i.e., the production of hot-rolled seamless carbon and alloy steel tubes, both smooth and threaded. The activity is characterized by a highly integrated manufacturing process, from production of the steel and hot-rolling to the final stages, facilitating the production of solutions that are suitable for a variety of markets (Oil & Gas, Industry, etc.). The Tubes business is highly dependent on the level of investment undertaken by Oil & Gas companies in the exploration, production and development of oil and natural gas reserves. Decisions to allocate customer orders are managed centrally by a Group Sales and

Operations Planning team, based on criteria such as available production capacity and margin optimization at Group level, while taking into account supply chain constraints (lead times required from customers) and required factory certifications. The Executive Committee's decisions on capital/resource allocation are made at this level and performance is monitored at this level based on various indicators, including EBITDA/metric ton, Days in Inventory (DII).

Vallourec presents geographical information for the Tubes segment for Europe, North America, South America, Asia, the Middle East and the Rest of the World.

### MINE & FORESTS

The iron ore mine and the forests (which also supply charcoal to the blast furnace located in Jeceaba in the Brazilian state of Minas Gerais) constitute a separate segment in the Group's internal reporting.

The mine is currently capable of producing approximately 6 million tonnes per year.

Following the commissioning of the Phase 2 extension work in 2027, the Group sees potential to increase this production rate by 1 to 2 million tonnes per year. Surplus production that exceeds internal consumption (currently estimated at approximately 1 million tonnes) is sold on the market.

The profitability of this activity is strongly correlated with international iron ore market prices, in particular the Iron Ore CFR China index published by Platts.



RESULTS, ASSETS AND LIABILITIES BY OPERATING SEGMENT

In € thousands	Tubes	Mine & Forests	Holding companies & Other	Inter-segment transactions	Total
<b>INCOME STATEMENT AS AT JUNE 30, 2024</b>					
Revenue	1,962,615	149,320	93,368	(130,580)	2,074,723
EBITDA	429,806	45,871	(26,567)	642	449,752
Depreciation of industrial assets	(91,314)	(9,560)	(4,715)	0	(105,589)
Impairment of assets and goodwill	5,635	0	0	0	5,635
Asset disposals, restructuring costs and non-recurring items	(56,699)	(3,868)	(14,559)	(1,382)	(76,508)
<b>OPERATING INCOME (LOSS)</b>	<b>287,428</b>	<b>32,443</b>	<b>(45,841)</b>	<b>(740)</b>	<b>273,290</b>
Unallocated income					18,176
Unallocated expenses					18,598
Pre-tax income					310,064
Income tax					(86,441)
Share in net income of equity-accounted companies					729
Net income					224,352
<b>STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2024</b>					
Non-current assets	2,003,039	293,632	78,547	0	2,375,218
Current assets	2,126,665	78,297	373,633	(349,130)	2,229,465
Cash and cash equivalents	869,583	32,206	1,079,696	(1,261,691)	719,794
Assets held for sale and discontinued operations	0	984	0	0	984
<b>TOTAL ASSETS</b>	<b>4,999,287</b>	<b>405,119</b>	<b>1,531,876</b>	<b>(1,610,821)</b>	<b>5,325,461</b>
<b>INVESTMENTS AS AT JUNE 30, 2024</b>					
Investments in property, plant and equipment, intangible assets and biological assets	68,696	13,961	2,160	0	84,817

The table below presents the following information for the Group's operating segments:

- income statement data for the first half of 2023;
- statement of financial position data as at December 31, 2023.

AS AT JUNE 30, 2023	Tubes	Mine & Forests	Holding companies & Other	Inter-segment transactions	Total
<b>INCOME STATEMENT</b>					
<b>AS AT JUNE 30, 2023</b>					
Revenue	2,537,263	185,503	96,792	(123,823)	2,695,735
EBITDA	609,119	97,859	(9,693)	(3,427)	693,858
Depreciation of industrial assets	(87,534)	(10,233)	(6,306)	-	(104,073)
Impairment of assets and goodwill	-	-	(7,607)	-	(7,607)
Asset disposals, restructuring costs and non-recurring items	(64,362)	978	(4,099)	(413)	(67,896)
<b>OPERATING INCOME (LOSS)</b>	<b>457,223</b>	<b>88,604</b>	<b>(27,729)</b>	<b>(3,816)</b>	<b>514,282</b>
Unallocated income					6,820
Unallocated expenses					(76,600)
Pre-tax income					444,502
Income tax					(122,944)
Share in net income (loss) of equity- accounted companies					(200)
Net income					321,358
<b>STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2023</b>					
Non-current assets	2,110,115	320,916	84,570	-	2,515,601
Current assets	2,182,530	104,419	408,589	(398,916)	2,296,622
Cash and cash equivalents	1,080,445	50,482	1,135,012	(1,365,991)	899,948
Assets held for sale and discontinued operations	-	1,081	-	-	1,081
<b>TOTAL ASSETS</b>	<b>5,373,090</b>	<b>476,898</b>	<b>1,628,171</b>	<b>(1,764,907)</b>	<b>5,713,252</b>
<b>INVESTMENTS AS AT DECEMBER 31, 2023</b>					
Investments in property, plant and equipment, intangible assets and biological assets	183,078	25,933	3,575	-	212,586

## GEOGRAPHIC AREAS

The table below presents information on (i) revenue by geographic area (based on customer location) and (ii) non-current assets by geographic area. The main areas are North America (principally the United States), South America (principally Brazil) and Middle East.

	Revenue		Non-current assets	
	First-half 2023	First-half 2024	Dec 31, 2023	June 30, 2024
Europe	253,947	99,062	69,228	43,462
North America	1,320,952	832,856	857,300	852,845
South America	417,790	321,828	876,098	814,369
Asia	127,436	176,067	193,279	176,247
Middle East	269,256	408,764	113,689	115,552
Rest of the world	147,882	124,038	521	564
<b>Total - Tubes</b>	<b>2,537,263</b>	<b>1,962,615</b>	<b>2,110,115</b>	<b>2,003,039</b>
<b>Mine &amp; Forests</b>	<b>185,503</b>	<b>149,320</b>	<b>320,916</b>	<b>293,632</b>
<b>Holding companies &amp; Other</b>	<b>96,792</b>	<b>93,368</b>	<b>84,570</b>	<b>78,547</b>
<b>Inter-segment transactions</b>	<b>(123,823)</b>	<b>(130,580)</b>	-	-
<b>TOTAL</b>	<b>2,695,735</b>	<b>2,074,723</b>	<b>2,515,601</b>	<b>2,375,218</b>

## REVENUE BY BUSINESS

The following table shows the breakdown of the Group's revenue by business in first-half 2023 and 2024:

	Revenue	
	First-half 2023	First-half 2024
Oil & Gas	1,885,103	1,538,159
Industry	421,631	218,585
Other	230,529	205,871
<b>Total - Tubes</b>	<b>2,537,263</b>	<b>1,962,615</b>
<b>Mine &amp; Forests</b>	<b>185,503</b>	<b>149,320</b>
<b>Holding companies &amp; Other</b>	<b>96,792</b>	<b>93,368</b>
<b>Inter-segment transactions</b>	<b>(123,823)</b>	<b>(130,580)</b>
<b>TOTAL</b>	<b>2,695,735</b>	<b>2,074,723</b>

### 3.1 EBITDA

EBITDA breaks down as follows:

	First-half 2023	First-half 2024
<b>Revenue</b>	<b>2,695,735</b>	<b>2,074,723</b>
<b>Cost of sales</b>	<b>(1,815,975)</b>	<b>(1,443,268)</b>
of which direct cost of sales	(149,150)	(119,046)
of which cost of raw materials consumed	(703,813)	(571,886)
of which labor costs	(359,823)	(285,610)
of which other manufacturing costs <sup>(a)</sup>	(556,964)	(472,564)
of which change in non-raw-material inventories	(46,225)	5,838
<b>Selling, general and administrative expenses</b>	<b>(162,819)</b>	<b>(178,292)</b>
of which research and development costs	(13,106)	(15,139)
of which selling and marketing costs	(32,413)	(29,893)
of which general and administrative costs	(117,300)	(133,260)
<b>Other</b>	<b>(23,083)</b>	<b>(3,411)</b>
of which employee profit-sharing, bonuses and other	(19,203)	(10,818)
of which other income and expenses	(3,880)	7,407
<b>Total gross operating expenses</b>	<b>(2,001,877)</b>	<b>(1,624,971)</b>
<b>EBITDA</b>	<b>693,858</b>	<b>449,752</b>

(a) "Other manufacturing costs" mainly include energy and consumables, subcontracting and maintenance expenditure, and provisions.

### PERSONNEL EXPENSES

Personnel expenses amounted to €380 million in first-half 2024, versus €461 million in first-half 2023.

### 3.2 Depreciation and amortization

Depreciation and amortization breaks down as follows:

	First-half 2023	First-half 2024
Depreciation of industrial assets	(85,255)	(88,930)
Depreciation of right-of-use assets	(11,458)	(9,029)
Amortization of capitalized research and development costs	(904)	(1,352)
Depreciation and amortization – contract and selling and marketing costs	(484)	(56)
Depreciation and amortization – general and administrative costs	(5,972)	(6,222)
<b>TOTAL DEPRECIATION AND AMORTIZATION</b>	<b>(104,073)</b>	<b>(105,589)</b>

### 3.3 Asset disposals, restructuring costs and non-recurring items

	First-half 2023	First-half 2024
Reorganization measures (net of expenses and provisions)	(34,419)	(6,631)
Gains and losses on disposals of non-current assets and other non-recurring items	(33,477)	(69,877)
<b>TOTAL</b>	<b>(67,896)</b>	<b>(76,508)</b>

The Group continued its restructuring in the first half of 2024, which led to the recognition of €7 million in costs for adaptation measures (net of expenses and provisions).

Other non-recurring items for first-half 2024 (corresponding to €70 million) are mainly attributable to other restructuring cost (fees and operating expenses related to the discontinuation of manufacturing operations), gains and losses on asset disposal and scrapped assets.

### 3.4 Reconciliation of net additions to depreciation, amortization and provisions with the statement of cash flows

	Notes	First-half 2023	First-half 2024
<b>Depreciation and amortization</b>	<b>3.2</b>	<b>(104,073)</b>	<b>(105,589)</b>
<b>Impairment of assets and goodwill</b>		<b>(7,607)</b>	<b>5,635</b>
Additions to provisions net of reversals included in EBITDA		8,157	16,948
Additions to provisions net of reversals included in asset disposals, restructuring costs and non-recurring items		42,296	72,294
Additions to provisions net of reversals included in net financial income (loss)		(2,599)	(1,804)
<b>TOTAL</b>		<b>(63,826)</b>	<b>(12,516)</b>
<b>Net depreciation, amortization and provisions recorded in the statement of cash flows</b>		<b>63,826</b>	<b>12,516</b>

### 3.5 Reconciliation of working capital

Changes in working capital during first-half 2024 were as follows:

Gross amounts <i>In € thousands</i>	Dec. 31, 2023	Translation difference	Change	Reclassification and other	June 30, 2024
Inventories	1,327,218	(31,230)	35,849	(5,860)	1,325,977
Trade receivables and supplier advances	777,974	(7,084)	(44,243)	7,247	733,894
Trade payables	(762,508)	8,482	(60,423)	(2,069)	(816,518)
<b>Working capital</b>	<b>1,342,684</b>	<b>(29,832)</b>	<b>(68,817)</b>	<b>(682)</b>	<b>1,243,353</b>
Other receivables and payables	(50,209)	(1,791)	68,994	39,568	56,562
<b>OPERATING WORKING CAPITAL</b>	<b>1,292,475</b>	<b>(31,623)</b>	<b>177</b>	<b>38,886</b>	<b>1,299,915</b>
Impact of hedging instruments			(7,836)		
<b>TOTAL</b>			<b>(7,659)</b>		
Change in operating working capital in the statement of cash flows			7,659		

### Note 4 • Income tax

The income tax expense of the first half of 2024 is 86€ million on the basis of a net income before tax of 310€ million for an estimated effective tax rate of 28%. The effective tax rate on December 31<sup>st</sup> 2023 was 34%.

## Note 5 • Property, plant and equipment, intangible assets, goodwill and biological assets

### 5.1 Impairment tests

As at June 30, 2024, the Group's analysis of its various cash-generating units (CGUs) does not identify any internal or external indications of impairment that would require to perform an impairment test. The sales volume and value assumptions used as a basis for the

CGUs' future cash flows for the purposes of preparing the 2023 consolidated financial statements were not called into question for any of the four CGUs (Eastern Hemisphere Tubes, Vallourec South America Tubes, Vallourec North America, Mine & forests).

### 5.2 Reconciliation of outflows related to acquisitions of non-current assets with the statement of cash flows

	First-half 2023		First-half 2024	
	Property, plant and equipment and intangible assets	Biological assets	Property, plant and equipment and intangible assets	Biological assets
Acquisitions of intangible assets	42	-	86	-
Acquisitions of property, plant and equipment	103,014	5,090	55,663	4,078
<b>Total capital expenditure</b>	<b>103,056</b>	<b>5,090</b>	<b>55,749</b>	<b>4,078</b>
Changes in liabilities on non-current assets	11,022	-	24,990	-
<b>TOTAL</b>	<b>114,078</b>	<b>5,090</b>	<b>80,739</b>	<b>4,078</b>
Statement of cash flows: cash outflows for acquisitions of property, plant and equipment and intangible and biological assets	119,168		84,817	

### Note 6 • Related-party transactions

Related-party transactions mainly concern purchases of steel rounds for Vallourec own operations and slabs purchased from HKM and resold to third parties as part of Vallourec's commitment through the supply agreement contract.

Transactions carried out with equity affiliates in first-half 2024 relate mainly to purchases of steel slabs from HKM for an amount of €180 million.

### Note 7 • Equity, share-based payments and earnings per share

#### 7.1 Equity attributable to owners of the parent

As at June 30, 2024, Vallourec's share capital comprised 237,271,828 shares with a par value of €0.02 per share, all fully paid up.

#### RESERVES AND FINANCIAL INSTRUMENTS

Reserves for changes in the fair value of hedging instruments net of tax (revaluation reserves) arise primarily from two types of transaction:

- effective currency hedges assigned to the order book and commercial tenders, for which changes in the currency impact at the reporting date are recognized in equity;
- variable-rate borrowings for which interest rate swaps (fixed rate) have been contracted, and which are accounted for in accordance with the cash flow hedge method;
- changes in the fair value of swaps attributable to fluctuations in interest rates are recognized in equity.

#### FOREIGN CURRENCY TRANSLATION RESERVE

This reserve arises as a result of translating the equity of subsidiaries outside the eurozone into euros. The change in the reserve corresponds to fluctuations in exchange rates used to translate the equity and net

income (loss) of these subsidiaries. Components of the reserve are only written back to income in the case of a partial or total disposal and loss of control of the foreign entity.

	USD	GBP	BRL	CNY	Other	Total
<b>As at Dec. 31, 2022</b>	<b>386,852</b>	<b>(12,938)</b>	<b>(1,132,280)</b>	<b>25,453</b>	<b>(18,442)</b>	<b>(751,355)</b>
Change	(51,220)	219	62,312	(11,683)	(4,345)	(4,717)
<b>As at Dec. 31, 2023</b>	<b>335,632</b>	<b>(12,719)</b>	<b>(1,069,968)</b>	<b>13,770</b>	<b>(22,787)</b>	<b>(756,072)</b>
Change	40,376	172	(105,623)	2,958	11,911	(50,206)
<b>AS AT JUNE 30, 2024</b>	<b>376,007</b>	<b>(12,547)</b>	<b>(1,175,591)</b>	<b>16,728</b>	<b>(10,875)</b>	<b>(806,278)</b>

## 7.2 Share-based payments

### MANAGEMENT EQUITY PLANS

The characteristics of plans set up prior to December 31, 2023 are described in the Group's consolidated financial statements for the year ended December 31, 2023 and have been adjusted, when necessary, based on the parameters applicable as at June 30, 2024.

During first-half 2024, the Group set up new Management Equity Plans (MEP) for some of the Group's senior executives, corporate officers and employees.

#### March 18, 2024 MEP

Under the MEP set up on March 18, 2024, 117,348 free performance shares were awarded to Group employees and executive corporate officers. The award comprises preferred shares, broken down into three tranches.

#### Characteristics of the plan

The characteristics of the performance share plan are as follows:

Valuation	Tranche 2	Tranche 3	Tranche 4
Share price on the award date	€15.69	€15.69	€15.69
Vesting period	0.52 years	0.94 years	1.39 years
Performance conditions <sup>(a)</sup>	Yes	Yes	Yes
Volatility <sup>(b)</sup>	37.50%	37.50%	37.50%
Risk-free rate <sup>(c)</sup>	2.47%	2.47%	2.47%
Dividend rate <sup>(d)</sup>	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026
Fair value of the share <sup>(e)</sup>	€12.63	€8.42	€3.62
Number of shares awarded	54,912	54,909	7,527

(a) The tranche 2, 3 and 4 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price represents at least €16.19, €20.22 and €28.32 over 90 trading days in the 5-year period following the financial restructuring. The valuation models show average vesting periods of 0.52 years, 0.94 years and 1.39 years, respectively.

(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.

(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).

(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

(e) Following amendments to the applicable performance conditions voted at the May 23, 2024 Shareholders' Meeting, the fair values of tranches 2, 3 and 4 were revised upwards, by adding €0.10, €1.25 and €1.30 respectively to their previous fair values.

#### May 24, 2024 MEP

Under the MEP set up on May 24, 2024, 74,838 free performance shares were awarded to executive corporate officers. The award comprises preferred shares, broken down into two tranches.

#### Characteristics of the plan

The characteristics of the performance share plan are as follows:

Valuation	Tranche 2	Tranche 3
Share price on the award date	€16.65	€16.65
Vesting period	0.15 year	0.91 year
Performance conditions <sup>(a)</sup>	Yes	Yes
Volatility <sup>(b)</sup>	34.50%	34.50%
Risk-free rate <sup>(c)</sup>	3.12%	3.12%
Dividend rate <sup>(d)</sup>	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026
Fair value of the share	€16.00	€10.56
Number of shares awarded	37,419	37,419

(a) The tranche 2, 3 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price represents at least €16.19 and €20.22 over 90 trading days in the 5-year period following the financial restructuring. The valuation models show average vesting periods of 0.15 years and 0.91 years, respectively.

(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.

(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).

(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

**June 26, 2024 MEP**

On June 26, 2024, the Vallourec Group decided to set up a Management Equity Plan ("MEP") for its employees and executive corporate officers.

The MEP plan of June 26, 2024 awards 162,975 free shares to employees and executive corporate officers. This free share award comprises 27,900 ordinary shares and 135,075 preferred shares.

**Characteristics of the plan**

The characteristics of the plan awarding ordinary shares are as follows:

Valuation	Tranche 1	Tranche 2
Share price on the award date	€14.81	€14.81
Vesting period	1 year	2 year
Performance conditions <sup>(a)</sup>	Yes	Yes
Volatility <sup>(b)</sup>	27%	33%
Risk-free rate <sup>(c)</sup>	3.48%	3.18%
Dividend rate <sup>(d)</sup>	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026
Fair value of the share	€13.26	€11.05
Number of shares awarded	13,950	13,950

(a) Each tranche will vest only if, on the vesting date, the market price of the Vallourec share is above €8.09.

(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.

(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).

(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

The characteristics of the plan awarding performance shares are as follows:

Valuation	Tranche 2	Tranche 3	Tranche 4
Share price on the award date	€14.81	€14.81	€14.81
Vesting period	0.31 year	1.09 year	1.47 year
Performance conditions <sup>(a)</sup>	Yes	Yes	Yes
Volatility <sup>(b)</sup>	33%	33%	33%
Risk-free rate <sup>(c)</sup>	3.18%	3.18%	3.18%
Dividend rate <sup>(d)</sup>	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026	0% in 2024 and 9% in 2025 and 2026
Fair value of the share	€12.58	€6.99	€2.50
Number of shares awarded	39,363	90,212	5,500

(a) The tranche 2, 3 and 4 performance share rights will be exercisable for ordinary shares if the volume-weighted average Vallourec share price represents at least €16.19, €20.22 and €28.32 over 90 trading days in the 5-year period following the financial restructuring. The valuation models show average vesting periods of 0.31 years, 1.09 years and 1.47 years, respectively.

(b) Volatility corresponds to historical volatility observed over a period corresponding to the life of the plans.

(c) The risk-free rate used was determined based on the maturity of each of the tranches (the French Institute of Actuaries' yield curve).

(d) The expected dividend rates were determined based on analysts' expectations (external information) and the Group's dividend policy.

**Change in number of shares**

The change in the number of shares not yet vested under the Management Equity Plans is as follows:

In number of shares	Ordinary shares	Performance Shares
<b>Number of shares not yet vested as at January 1, 2024</b>	<b>1,308,762</b>	<b>1,920,611</b>
Shares delivered over the period		(265,695)
Shares canceled	(114,428)	(291,289)
Shares awarded over the period	27,900	327,261
<b>NUMBER OF SHARES NOT YET VESTED AS AT JUNE 30, 2024</b>	<b>1,222,234</b>	<b>1,690,888</b>



## STOCK OPTION PLANS

### Change in number of unexpired options

<i>In number of options</i>	2023	First-half 2024
<b>Options outstanding as at January 1</b>	<b>295,174</b>	<b>209,595</b>
Options exercised	-	-
Options lapsed	(6,328)	(5,620)
Options canceled	(79,251)	(38,911)
Options distributed	-	-
<b>OPTIONS OUTSTANDING AT PERIOD-END</b>	<b>209,595</b>	<b>165,064</b>
Of which exercisable options	12,440	26,629

## PERFORMANCE SHARE PLANS

For all of these plans, the change in the number of shares not yet vested is as follows:

<i>In number of shares</i>	2023	First-half 2024
<b>Number of shares not yet vested as at January 1</b>	<b>578,087</b>	<b>839,022</b>
Shares delivered over the period	(41,215)	-
Outperformance	-	-
Shares canceled	(69,800)	(103,182)
Shares awarded over the period	371,950	-
<b>NUMBER OF SHARES NOT YET VESTED AT PERIOD-END</b>	<b>839,022</b>	<b>735,840</b>

## 7.3 Earnings per share

Basic earnings per share amounted to €0.94 in first-half 2024, versus basic earnings per share of €1.36 reported in first-half 2023.

Diluted earnings per share (taking into account the dilutive impact of stock options, performance shares, Management Equity Plans and share subscription warrants) amounted to €0.90 in first-half 2024, versus diluted earnings per share of €1.34 reported in first-half 2023.

## Note 8 • Financing and financial instruments

### 8.1 Net debt

In April 2024, Vallourec executed a significant and holistic refinancing that has substantially extended its debt and liquidity maturities and reduced its financial costs. The key elements of this operation include:

- entry into a new 5-year €550 million multi-currency revolving credit facility (RCF) with a substantially diversified, global banking group;
- entry into an upsized and extended 5-year \$350 million asset-backed lending facility (ABL) in the United States;
- issuance of 8-year \$820 million 7.5% senior notes and entry into a cross-currency swap to hedge Vallourec's currency exposure on its new senior notes with a equivalent euro of approximately 5.8%;

- redemption of the entire €1,023 million of previously outstanding 8.5% senior notes due 2026;
- repayment of approximately €68 million of the €262 million State-guaranteed loan (*Prêt Garantis par l'État*) during the transaction and intended repayment of the remaining amount by December 31, 2024.

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 plus the fair value of the cross-currency swaps related to the EUR/USD hedging of the principal of the \$820 million 7.5% senior notes. Net debt excludes lease debt.

The table below presents the structure of Group net debt further to these refinancing operations:

	Dec. 31, 2023			June 30, 2024		
	Total	Non-current	Current	Total	Non-current	Current
Bonds	1,105,354	1,105,354	-	748,224	748,224	-
Bank borrowings	242,582	241,394	1,188	210,116	16,753	193,362
Other borrowings	120,660	1,383	119,277	122,684	6,994	115,690
Short-term bank facilities	1,732	-	1,732	735	-	735
<b>Total current and non-current loans and borrowings</b>	<b>1,470,328</b>	<b>1,348,131</b>	<b>122,197</b>	<b>1,081,758</b>	<b>771,971</b>	<b>309,787</b>
Marketable securities	718,423	-	718,423	412,311	-	412,311
Cash at bank and in hand	181,525	-	181,525	307,483	-	307,483
<b>Cash and cash equivalents</b>	<b>899,947</b>	<b>-</b>	<b>899,947</b>	<b>719,794</b>	<b>-</b>	<b>719,794</b>
Fair value hedge cross-currency swap *	-	-	-	2,369	-	2,369
<b>Net debt</b>	<b>570,381</b>	<b>1,348,131</b>	<b>(777,750)</b>	<b>364,333</b>	<b>771,971</b>	<b>(407,638)</b>

\* Following the issuance of its 8-year \$820 million 7.5% senior notes, Vallourec entered into 4-year cross-currency swaps to hedge the related EUR/USD currency exposure. The fair value of the cross-currency swaps related to the EUR/USD hedging of the principal of the notes is consequently considered to meet the definition of net debt.

### Main long-term debt as of June 30, 2024

In millions of currency units	Currency	Initial nominal amount	Principal amount remaining due	Maturity	Face rate	Carrying amount (in €m)
Bond issue – April 2024 <sup>(a)</sup>	USD	820	820	Apr-32	7.5%	748
State-guaranteed loan – June 2021 <sup>(b)</sup>	EUR	262	194	Jun-27	1.84%	193
<b>TOTAL</b>						<b>941</b>

(a) Vallourec entered into 4-year cross-currency swaps to hedge currency exposure resulting in a fixed EUR equivalent coupon of approximately 5.8%.

(b) Maturity prior refinancing was June 2027. Intended repayment of the remaining principal by December 31, 2024.

### Main available liquidity financing as of June 30, 2024

In millions of currency units	Currency	Initial nominal amount	Drawn amount	Maturity	Available amount (in €m)
Asset-based Loan facility – November 2022 <sup>(a)</sup>	USD	350	-	Apr-29	228
Revolving credit facility – April 2024	EUR	550	-	Apr-29	550
<b>TOTAL</b>					<b>778</b>

(a) In April 2024, Vallourec upsized and extended its asset-based loan facility to \$350 million and for 5 years. As of June 30, 2024 approximately \$9 million of letters of credit was outstanding under this facility. Availability under this facility must not exceed the applicable borrowing base.

### Commercial paper

Vallourec SA set up a commercial paper (NEU CP) program on October 12, 2011 to meet its short-term needs. The program has a €1 billion ceiling. As at June 30, 2024, Vallourec had no outstanding commercial paper.

### 8.1.1 NET FINANCIAL INCOME (LOSS)

	First-half 2023	First-half 2024
<b>INTEREST INCOME</b>		
Income from marketable securities	3,714	6,508
Proceeds from disposals of marketable securities	3,106	11,668
<b>Total</b>	<b>6,820</b>	<b>18,176</b>
<b>Interest expense</b>	<b>(60,368)</b>	<b>4,432</b>
<b>Net interest expense</b>	<b>(53,548)</b>	<b>22,608</b>
<b>OTHER FINANCIAL INCOME AND EXPENSES</b>		
Income from securities, loans and receivables	223	1,317
Exchange (losses) and gains and impact of contango/backwardation	(16,486)	(10,081)
Additions to provisions, net of reversals	4	616
Other financial income and expenses	4,791	27,179
<b>Total</b>	<b>(11,468)</b>	<b>19,031</b>
<b>INTEREST EXPENSES ON LEASES</b>	<b>(4,205)</b>	<b>(3,194)</b>
<b>OTHER DISCOUNTING EXPENSES</b>		
Financial expense on discounting pension obligations	(2,609)	(2,420)
Financial income on discounting assets and liabilities	2,050	749
<b>Total</b>	<b>(559)</b>	<b>(1,671)</b>
<b>NET FINANCIAL INCOME (LOSS)</b>	<b>(69,780)</b>	<b>36,774</b>

The net financial income of the first half of 2024 is €37 million compared with a loss of -€70 million in the first half of 2023.

The main impact is in Interest expense with a profit of €4.4 million in the first half 2024, mainly driven by Vallourec refinancing in April 2024 leading to the reversal of the fair value accounting on the €1,023 million

8.5% senior notes due in 2026 and the adjustment of the fair value of the State-guaranteed loan (*Prêt Garantis par l'État*).

Other financial income and expenses, at €27.2 million in the first half of 2024 benefits from the adjustment of the subsidy of the State-guaranteed loan (*Prêt Garantis par l'État*), adjustment also related to the refinancing.

### 8.1.2 RECONCILIATION WITH FINANCIAL LIABILITIES IN THE STATEMENT OF CASH FLOWS

	Dec. 31, 2023	Translation difference	Proceeds from new borrowings	Repayments of borrowings	Current/non-current reclassifications and other	June 30, 2024
Non-current financial liabilities	1,348,131	(3,798)	711,205	(1,093,319)	(190,247)	771,971
Current financial liabilities	122,197	(43,290)	78,689	12,755	164,946	309,787
<b>FINANCIAL LIABILITIES (1)</b>	<b>1,470,328</b>	<b>(47,088)</b>	<b>789,894</b>	<b>(1,106,074)</b>	<b>(25,301)</b>	<b>1,081,758</b>
<b>IMPACT OF HEDGING INSTRUMENTS AND OTHER (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (1) + (2)</b>	<b>1,470,328</b>	<b>(47,088)</b>	<b>789,894</b>	<b>(1,106,074)</b>	<b>(25,301)</b>	<b>1,081,758</b>
Change in financial liabilities in the statement of cash flows	-	-	789,894	(1,106,074)	-	-

### 8.1.3 RECONCILIATION OF NET CASH

#### Reconciliation of net cash in the statements of cash flows and financial position – June 30, 2024

In € thousands	Notes	Dec. 31, 2023	Change	Forex impact	June 30, 2024
Cash and cash equivalents (1)	8.1	899,948	(178,057)	(2,097)	719,794
Short-term bank facilities (2)	8.1	1,733	(998)	-	735
<b>NET CASH (3) = (1) – (2)</b>		<b>898,215</b>	<b>(177,059)</b>	<b>(2,097)</b>	<b>719,059</b>

**Reconciliation of net cash in the statements of cash flows and financial position – June 30, 2023**

<i>In € thousands</i>	Dec. 31, 2022	Change	Forex impact	June 30, 2023
Cash and cash equivalents (1)	551,603	308,333	(4,505)	855,431
Short-term bank facilities (2)	4,815	192	(417)	4,590
<b>NET CASH (3) = (1) – (2)</b>	<b>546,788</b>	<b>308,141</b>	<b>(4,088)</b>	<b>850,841</b>

**8.2 Other financial liabilities**

Other financial liabilities consist primarily of lease liabilities and derivatives.

	Dec. 31, 2023			June 30, 2024		
	Total	Non-current	Current	Total	Non-current	Current
Lease liabilities	56,435	39,742	16,693	48,163	32,586	15,577
Derivatives	155,157	76,000	79,157	180,010	77,000	103,010
<b>TOTAL</b>	<b>211,592</b>	<b>115,742</b>	<b>95,850</b>	<b>228,173</b>	<b>109,586</b>	<b>118,587</b>

**8.3 Financial instruments****8.3.1 FINANCIAL ASSETS AND LIABILITIES – ACCOUNTING MODEL AND FAIR VALUE HIERARCHY**

During first-half 2024, the Group did not make any material changes to the classification of financial instruments, and there were no significant transfers between different levels of the fair value hierarchy.

The amounts recognized in the statement of financial position are based on the measurement methods used for each financial instrument.

June 30, 2024	Amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	Fair value of hedging instruments	Total	Fair value
<b>Assets</b>						
Trade and other receivables	695,761	-	-	-	695,761	695,761
Other current and non-current financial assets	49,169	-	15,162	22,399	86,730	86,730
Other current and non-current assets	318,776	-	-	-	318,776	318,776
Cash and cash equivalents	-	719,794	-	-	719,794	719,794
<b>Total financial assets</b>	<b>1,063,706</b>	<b>719,794</b>	<b>15,162</b>	<b>22,399</b>	<b>1,821,061</b>	<b>1,821,061</b>
<b>Total non-financial assets</b>					<b>3,504,400</b>	<b>3,504,400</b>
<b>TOTAL ASSETS</b>					<b>5,325,461</b>	<b>5,325,461</b>
<b>Liabilities</b>						
Borrowings	1,081,758	-	-	-	1,081,758	1,125,723
Trade payables	816,518	-	-	-	816,518	816,518
Other current and non-current financial liabilities	48,163	129,000	-	51,010	228,173	228,173
Other current and non-current liabilities	295,673	-	-	-	295,673	295,673
<b>Total financial liabilities</b>	<b>2,242,112</b>	<b>129,000</b>	<b>-</b>	<b>51,010</b>	<b>2,422,122</b>	<b>2,466,087</b>
<b>Total non-financial liabilities</b>					<b>2,903,339</b>	<b>2,903,339</b>
<b>TOTAL LIABILITIES</b>					<b>5,325,461</b>	<b>5,369,426</b>

### 8.3.2 HEDGE ACCOUNTING

As at June 30, 2024, hedging instruments had a net negative fair value of €28.6 million, versus a net positive fair value of €18.5 million as at December 31, 2023.

	Accounting Classification	OCI reserves <sup>(1)</sup>	June 30, 2024	Dec. 31, 2023
Currency hedging instruments on commercial transactions	Cash flow hedge	(34,661)	(29,222)	4,034
Currency hedging instruments on commercial transactions	Fair value hedge	(162)	3,757	6,990
Currency hedging instruments on financial transactions	Cash flow hedge	1,407	1,407	
Currency hedging instruments on financial transactions	Fair value hedge	0	(4,678)	7,357
Hedging instruments set up in the context of employee share ownership plans	Fair value hedge	2	124	122
<b>Sub-total derivatives</b>		<b>(33,414)</b>	<b>(28,612)</b>	<b>18,503</b>
<i>Of which derivatives – positive fair value</i>			22,399	46,660
<i>Of which derivatives – negative fair value</i>			(51,010)	(28,157)
Receivables (payables) used for commercial hedges	Cash flow hedge	(36,582)	(34,342)	2,240
Receivables (payables) used for commercial hedges	Fair value hedge	0	(7,691)	126,950
<b>TOTAL</b>		<b>(69,996)</b>	<b>(70,644)</b>	<b>147,693</b>

(1) Assets and liabilities presented in this table are offset: + = positive fair value, () = negative fair value.

### 8.3.3 FINANCIAL RISK MANAGEMENT

The Group did not make any material changes to its financial risk management policy during the first half of 2024. Please refer to the notes to the consolidated financial statements for the year ended December 31, 2023.

#### Liquidity risk

The Group's financial resources include financing with banks and on the capital markets.

The vast majority of bank financing was arranged in Europe through Vallourec SA, and to a lesser extent through the Group's subsidiaries in Brazil and in the United States.

#### \$820 million 7.5% senior notes

Vallourec SA's 8-year \$820 million 7.5% senior notes have a non-call period of 3 years. They are guaranteed by the same subsidiaries that guarantee the revolving credit facility (RCF). The notes are subject to certain covenants, notably on liens, mergers, the consolidation or sale of assets and sale and leasebacks, with certain baskets and exceptions.

The bond indenture specifically includes a change-of-control clause that could trigger mandatory early redemption of the bonds at the request of each bondholder in the event of a change of control of Vallourec (in favor of a person or a group of people acting in concert) leading to a downgrade of its credit rating.

#### €550 million multi-currency revolving credit facility

At inception, Vallourec SA's RCF is guaranteed by its US subsidiaries, Vallourec Soluções Tubulares do Brasil SA and Vallourec Tubos do Brasil Ltda. Thereafter, on a yearly basis, Vallourec must ensure that

the RCF is secured by subsidiaries incorporated in France, Brazil and the United States (i) representing not less than 80% of the Group's total assets in these jurisdictions and (ii) whose total assets have a book value representing 5% or more of the Group's total assets.

The RCF is also secured by share pledges over equity covering certain subsidiaries, security over material bank accounts and significant intercompany loans of Vallourec SA, and by standard crossing-lien arrangements with the asset-backed lending facility (ABL).

It also includes a banking covenant stipulating that Vallourec's gearing ratio must not exceed 100%. The gearing ratio is defined as the ratio of consolidated net debt (including lease liabilities) to consolidated equity, adjusted for gains and losses on derivatives and foreign currency translation differences (exchange differences on translating net assets of consolidated foreign subsidiaries).

Additionally, upon the occurrence of a change of control, each lender is entitled to demand the repayment of any outstanding amounts and the cancellation of its commitments within a prescribed time period.

#### \$350 million asset-backed lending facility (ABL)

The upsized and extended ABL is notably secured by inventories and trade receivables held by the borrowing companies. Vallourec SA also provides a parent company guarantee to the lenders.

This facility also includes a change of control clause.

## Note 9 • Employee benefit obligations

Employee benefit obligations decreased by €21.1 million during the period, primarily due to benefits paid by the employer.

AS AT JANUARY 1	102,069
Current service cost	5,082
Benefits paid (employer)	(12,636)
Benefits paid (fund)	(869)
Change in actuarial gains and losses	(10,818)
Impact of changes in exchange rates	(1,850)
Reclassifications and other changes	
TOTAL AS AT JUNE 30	80,978

## Note 10 • Provisions for contingencies and charges and contingent liabilities

	Dec. 31, 2023			June 30, 2024		
	Total	Non-current	Current	Total	Non-current	Current
Disputes and commercial commitments	24,016	18,522	5,494	22,703	16,819	5,884
Backlog – losses on completion	44,161		44,161	24,753	-	24,753
Reorganization and restructuring measures	272,489	119,769	152,720	214,206	100,013	114,193
Tax risks (other levies, inspections, etc.)	11,078	11,069	9	7,945	7,936	9
Environmental provisions	17,627	16,927	700	16,144	15,444	700
Other	80,832	34,511	46,321	65,214	29,684	35,530
TOTAL	450,203	200,798	249,405	350,965	169,896	181,069
As at January 1	600,868	246,143	354,725	450,203	200,798	249,405
Additions	176,593	20,971	155,622	34,912	9,458	25,454
Utilizations	(315,858)	(28,033)	(287,825)	(117,882)	(20,196)	(97,686)
Reversals of surplus provisions	(16,032)	(3,962)	(12,070)	(247)	-	(247)
Impact of changes in exchange rates	5,815	3,789	2,026	(11,264)	(6,359)	(4,905)
Reclassifications and other changes	(1,183)	(38,110)	36,927	(4,757)	(13,805)	9,048
Liabilities related to assets held for sale and discontinued operations				-	-	-
END OF PERIOD	450,203	200,798	249,405	350,965	169,896	181,069

## Note 11 • Scope of consolidation

On January 1, 2024 the following companies were integrated in the scope of consolidation:

- Vam Far East Pte Ltd;
- Vam Field Service Angola Lda;
- Valinox Nucleaire Tubes (Guangzhou) Co., Ltd.

## Note 12 • Subsequent events

No significant events occurred between June 30, 2024 and July 25, 2024, the date at which the financial statements were approved for publication by the Board of Directors.



# STATUTORY AUDITORS' REVIEW REPORT ON THE 2024 HALF-YEARLY FINANCIAL INFORMATION

**For the period from January 1, 2024 to June 30, 2024**

*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of VALLOUREC, for the period from January 1, 2024 to June 30, 2024,
- the verification of the information presented in the half-yearly management report.

These half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

## Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

## Specific verification

We have also verified the information given in the half-yearly management report on the half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris la Défense, July 26, 2024

KPMG S.A.  
Philippe Grandclerc  
Partner

Ernst & Young et Autres  
May Kassis-Morin  
Partner







Design and production

Contact: [fr\\_content\\_and\\_design@pwc.com](mailto:fr_content_and_design@pwc.com)



REGISTERED OFFICE

12, rue de la Verrerie  
92190 Meudon (France)  
552 142 200 RCS Nanterre

Tel.: +33 (0)1 49 09 35 00

[WWW.VALLOUREC.COM](http://WWW.VALLOUREC.COM)

A French limited company (*société anonyme*) with a Board of Directors  
and issued capital of €4,745,436.56