Press release

Meudon (France), March 1st, 2024

Vallourec, a world leader in premium tubular solutions, announces today its results for the fourth quarter and full year 2023. The Board of Directors of Vallourec SA, meeting on February 29th 2024, approved the Group's fourth quarter and full year 2023 Consolidated Financial Statements.

Fourth Quarter and Full Year 2023 Results

- **Strong full year 2023 EBITDA of €1,196m, above upper end of guidance range**
- **Sequential EBITDA improvement in Q4 due to strong execution**
- **International Tubes demand and pricing continue to increase**
- **US OCTG demand has stabilized, Vallourec shipments increasing**
- **Net debt halved YoY to €570m; expected to decline further in H1 and Full Year 2024 starting in Q1 2024[a]**

HIGHLIGHTS

Strong Q4 and FY 2023 profitability and continued deleveraging:

- Q4 EBITDA of €280 million (up €58 million sequentially and down €32 million YoY) driven by solid Tubes profitability
  - Tubes EBITDA of €249 million (up €56 million sequentially and down €36 million YoY) supported by higher sequential shipments in both North America and Eastern Hemisphere as well as improved execution in South America
  - Mine & Forest EBITDA of €43 million (up 10% sequentially and €21 million YoY): ~0.1 million tonne sequentially lower mine production sold was offset by favorable iron ore pricing
- Adjusted free cash flow of €275 million, significantly up sequentially
- Net debt halved year-over-year: reduced from €1,130 million to €570 million

First Half 2024 Outlook:

- Group EBITDA to be broadly similar to second half 2023 EBITDA of €502m
- Total cash generation to be positive
- Net debt to decline further versus the year-end 2023 level, starting in the first quarter

Full Year 2024 Outlook:

- Strong EBITDA generation due to robust Tubes pricing in backlog and operational improvement
- Total cash generation to be positive
- Net debt to decline further versus the year-end 2023 level, starting in the first quarter

See further details regarding the first half and full year 2024 outlook at the end of this press release.

[a] In all cases, total cash generation and net debt guidance excludes the potential positive impact of asset sales.

Information

The audit procedures have been carried out and the statutory auditors' report on the financial statements should be released in mid-March.
Unless otherwise specified, indicated variations are expressed in comparison with the same period of the previous year.
Please see "Definitions of Non-GAAP Financial Data" for definitions of terms presented in this press release.

Philippe Guillemot, Chairman of the Board of Directors and Chief Executive Officer, declared:

"The New Vallourec plan, announced in May 2022, has been fully implemented, giving birth to a new Vallourec. 2023 was a pivotal year, marked by the closure of European production sites and the corresponding enhancement of our Brazilian capability to enable continued delivery of high-value products to our Oil & Gas customers. In addition, we initiated a substantial strategic shift in our operations in China which is already contributing meaningfully to improved Group results. While these major projects were being executed, we delivered the Group's best results in nearly 15 years. We have reduced our net debt by €560 million versus the year-end 2022 level, and by over €900 million versus the third quarter 2022 peak. I would like to thank the entire Vallourec team for their hard work towards achieving these results.

"Today, we are well advanced in our plans to deliver best-in-class profitability and cycle-proof our business. Yet, we still see further opportunities ahead. In 2024, we plan to deliver further improvements in our operations in Brazil to fully capitalize on our premier asset base in the country. Globally, we remain intensely focused on cost control and disciplined capital allocation.

"The overall market remains conducive to our efforts to generate strong cash flows and deleverage our balance sheet. In the US, the rig count has slightly increased since October 2023, imports remain suppressed, and distributor inventories continue to fall. We expect pricing in the region to stabilize imminently.

"Outside of the US, we continue to experience demand in excess of our capacity and see strong prices in our new orders. Notwithstanding recent market concerns, we believe the demand environment in the Middle East is among the best we have seen in years. We continue to see a multi-year activity upturn mainly led by major customer drilling programs in Saudi Arabia, the UAE and Iraq. Our commercial intimacy with our customers as well as our local value-added facilities give us comfort that this region should contribute significantly to our results in the coming years.

"We are well on track to reach zero net debt by year-end 2025 at the latest. Following our deleveraging, we aim to return significant capital to our shareholders, potentially as early as 2025.[b]"

Key Quarterly Data

in € million, unless noted	Q4 2023	Q3 2023	Q4 2022	QoQ chg.	YoY chg.
Tubes volume sold (k tonnes)	382	343	514	39	(132)
Iron ore volume sold (m tonnes)	1.7	1.8	1.4	(0.1)	0.3
Group revenues	1,276	1,142	1,541	134	(265)
Group EBITDA	**280**	**222**	**312**	**58**	**(32)**
(as a % of revenue)	*21.9%*	*19.4%*	*20.3%*	*2.5 pp*	*1.7 pp*
Operating income (loss)	198	146	164	52	34
Net income, Group share	105	76	78	29	27
Free cash flow, as previously defined	82	154	265	(72)	(183)
Adj. free cash flow	**275**	**217**	**318**	**58**	**(43)**
Total cash generation	**149**	**150**	**323**	**(1)**	**(174)**
Net debt	**570**	**741**	**1,130**	**(171)**	**(560)**

[b] Vallourec's dividend policy would in any event be conditional upon the Board's decision taking into account Vallourec's results, its financial position including the deleveraging target and the potential restrictions applicable to the payment of dividends. Dividends and share repurchases would also be subject to shareholders' approval

CONSOLIDATED RESULTS ANALYSIS

Fourth Quarter Results Analysis

In Q4 2023, Vallourec recorded revenues of €1,276 million, down (17%) year-on-year, or (15%) at constant exchange rates. The decrease in Group revenues reflects:

- (26%) volume decrease mainly driven by lower deliveries in Industry in Europe and Oil & Gas Tubes in North America
- 10% price/mix effect
- 1% Mine and Forest effect
- (3%) currency effect mainly related to the strengthening of the Euro versus the US dollar

In Q4 2023, EBITDA amounted to €280 million, or 21.9% of revenues, compared to €312 million (20.3% of revenues) in Q4 2022**.** The decrease was largely driven by lower average selling prices in Tubes in North America, offset by improved Tubes results outside of North America.

In Q4 2023, Vallourec recorded a €153 million income related to the reversal of previously-booked impairments. This reversal largely reflects an improved near-term earnings outlook in Eastern Hemisphere. This improvement, to be realized over the coming years, is due both to the successful results of the Group's restructuring efforts in Asia, including the premiumization strategy executed in China, as well as a favorable medium-term price outlook. In Q4 2022, the Group recorded a (€36) million impairment charge primarily related to assets in Europe.

In Q4 2023, Vallourec recorded a (€185) million charge predominantly related to its restructuring efforts in Germany. The largest component of this charge is a (€127) million expense related to the Group's ongoing supply agreement with its legacy steel supplier in Germany, HKM. As disclosed in its 2022 Universal Registration Document, Vallourec has terminated its long-term supply agreement with HKM in conjunction with the shutdown of its German rolling mills. Vallourec's remaining obligation under its supply agreement will therefore end in 2028 following the 7-year contractual notice period. Vallourec has been reselling excess steel products (largely slabs) throughout 2023, but currently expects these operations to be somewhat loss-making over the remainder of the contract. The €127 million liability is related to the expected negative cash flows to be spread over the next five years. Vallourec continues to pursue various means of improving the cash flow profile of this supply agreement.

As a result of the above factors, operating income was €198 million, compared to €164 million in Q4 2022.

Financial income (loss) was positive at €26 million, compared to (€60) million in Q4 2022. Net interest expense in Q4 2023 was (€14) million compared to (€25) million in Q4 2022. In Q4 2023, financial income was supported by a €40 million settlement of a longstanding dispute in Brazil with one of the Company's electricity suppliers.

Income tax amounted to (€102) million compared to (€9) million in Q4 2022. This increase was largely driven by significantly higher earnings before tax. The effective tax rate was impacted by non-tax-deductible tax losses in Germany.

This resulted in positive net income, Group share, of €105 million, compared to €78 million in Q4 2022.

Earnings per diluted share was to €0.44, versus €0.34 in Q4 2022. The increase reflects 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.

Full Year Results Analysis

Over the full year 2023, Vallourec recorded revenues of €5,114 million, up 5% year-on-year (+6% at constant exchange rates). The increase in Group revenues reflects:

- (14%) volume decrease predominantly due to lower deliveries in Industry in Europe
- 18% price/mix effect
- 2% Mine and Forest effect
- (2%) currency effect mainly related to the strengthening of the Euro versus the US dollar

For FY 2023, EBITDA amounted to €1,196 million, or 23.4% of revenues, compared to €715 million (14.6% of revenues) for FY 2022. The increase was driven by substantially higher Tubes EBITDA due to favorable pricing in North America in H1 2023, and steadily improving Tubes results outside of North America, particularly in H2 2023.

FY 2023 operating income was positive at €859 million, versus the (€122) million loss incurred in 2022. Vallourec recorded a net €145 million impairment reversal, offset by (€279) million in charges largely related to the costs of executing the New Vallourec plan. In 2022, Vallourec's operating income was burdened by (€574) million of charges largely related to the costs of executing the New Vallourec plan.

Financial income (loss) was (€66) million in FY 2023, compared to (€111) million in 2022. Net interest expense in FY 2023 was (€88) million compared to (€95) million in FY 2022. FY 2023 financial income (loss) benefitted from the previously-discussed €40 million settlement amount in Q4 2023.

Income tax amounted to (€269) million in FY 2023 compared to (€113) million in FY 2022. The increase was attributable to higher profits in most regions and the exhaustion of net operating losses in North America. The effective tax rate was elevated due to non-tax-deductible losses in Germany.

This resulted in positive FY 2023 net income, Group share, of €496 million, compared to (€366) million in FY 2022.

Earnings per diluted share amounted to €2.07, versus a (€1.60) loss in FY 2022. The increase reflects 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 treasure share method.

RESULTS ANALYSIS BY SEGMENT

Fourth Quarter Results Analysis

Tubes: In Q4 2023, Tubes revenues were down 18% YoY due to a 26% reduction in shipments, offset by a 10% increase in average selling price. This decrease in shipments was largely attributable to the closure of Vallourec's German rolling operations as a result of the New Vallourec plan. **Tubes EBITDA decreased from €285 million in Q4 2022 to €249 million** due to decreases in profitability in North America offset by improvements in the rest of the world.

Mine & Forest: In Q4 2023, iron ore production sold reached 1.7 million tonnes, increasing by 20% year-over-year but down slightly sequentially. **In Q4 2023, Mine & Forest EBITDA reached €43 million**, versus €22 million in Q4 2022, reflecting favorable iron ore prices offset by somewhat higher costs.

Full Year Results Analysis

Tubes: In FY 2023, Tubes revenues were up 3% YoY, which reflected a 14% reduction in shipments offset by a 20% increase in average selling price. These results reflected the closure of Vallourec's German rolling operations as well as the implementation of the Value over Volume strategy. **Tubes EBITDA increased from €638 million in FY 2022 to €1,051 million** due to a favorable market pricing environment and the execution of the New Vallourec plan.

Mine & Forest: In FY 2023, iron ore production sold reached 6.9 million tonnes, increasing by 71% year-over-year due to the recovery in volumes following the waste pile slippage experienced at the mine in 2022. **In FY 2023, Mine & Forest EBITDA reached €180 million** versus €113 million in FY 2022, reflecting a strong volume recovery offset by higher costs.

CASH FLOW AND FINANCIAL POSITION

Fourth Quarter Cash Flow Analysis

In Q4 2023, adjusted operating cash flow was €226 million versus €213 million in Q4 2022. The increase was driven by lower financial cash out which was positively impacted by the €40 million settlement discussed above, which offset lower EBITDA and higher taxes.

Adjusted free cash flow was €275 million, versus €318 million in Q4 2022. Higher adjusted operating cash flow was more than offset by a smaller working capital release versus the prior year period.

Total cash generation in Q4 2023 was €149 million, versus €323 million in Q4 2022, due largely to €193 million of restructuring charges and non-recurring items. These expected cash headwinds were primarily related to severance and restructuring costs in Germany.

Full Year Cash Flow Analysis

In FY 2023, adjusted operating cash flow was €928 million versus €458 million in FY2022. The increase was driven largely by higher EBITDA generation.

Adjusted free cash flow was €860 million in 2023, versus (€88) million in FY 2022. In addition to higher EBITDA, Vallourec saw a working capital release of €145 million as compared to a (€355) million cash use for working capital in 2022.

Total cash generation in FY 2023 was €568 million, versus (€200) million in FY 2022. This increase, driven by higher EBITDA and a working capital release, was offset by a (€362) million cash headwind for restructuring charges & non-recurring items related primarily to the closure of the Company's German rolling operations and the global implementation of the New Vallourec plan.

Net Debt and Liquidity

As of December 31, 2023, net debt stood at €570 million, a significant decrease compared to €1,130 million on December 31, 2022. Gross debt amounted to €1,470 million including €49 million of fair value adjustment under IFRS 9 which will be reversed over the life of the debt. Gross debt decreased over the course of 2023 due to the reduction of ACC ACE financing in Brazil. Long-term debt amounted to €1,348 million and short-term debt totaled €122 million.

As of December 31, 2023, the liquidity position was very strong at €1,539 million, with cash amounting to €900 million, availability on our revolving credit facility (RCF) of €462 million, and availability on an asset-backed loan (ABL) of €177 million [c]. **The Group has no long-term debt repayments scheduled before June 2026.**

THE NEW VALLOUREC PLAN

The New Vallourec plan, announced in May 2022, has been fully implemented, giving birth to a new Vallourec. As planned, we shut down our German operations, and the majority of the affiliated staff has now departed the company. A team remains for dismantling operations in 2024. The land related to one of the two primary production facilities in Germany (Mülheim) was sold at the end of 2023. The sale of the site related to the second primary production facility (Duesseldorf-Rath) remains in progress. The capability enhancement program in Brazil, which enabled the transfer of Oil & Gas production from Germany, is completed. We also executed the planned worldwide overhead cost reduction program.

These actions will generate a €230 million recurring EBITDA uplift versus 2021 and an approximately €20 million capex reduction. We have therefore substantially progressed the goals of making the Group cycle-proof and generating positive free cash flow[d], excluding changes in working capital, even at the bottom of the cycle.

We have also continuously broadened the scope of the New Vallourec plan to drive meaningful operational and profitability improvements. In China, we initiated a meaningful premiumization strategy in 2023 that has already begun to contribute to our results. EBITDA margins in that production hub are expected to converge towards Group average. In Saudi Arabia, we have executed a regional capacity expansion to capitalize on the strong demand environment in the region.

As we move into 2024, we continue to identify potential operational enhancements globally. In particular, we see outsized opportunity to deliver higher profitability from our Brazilian production hub. Beyond this, we will capitalize on opportunities to grow our New Energies business and our high-margin services & accessories revenue streams. Finally, in 2024, we will further progress on our path towards net debt zero, ultimately reaching this level by year-end 2025 at the latest.

[c] As of December 31, 2023, the borrowing base for this facility was approximately $205 million, and $9 million in letters of credit and other commitments were issued
[d] Free cash flow aligned with prior definition. See “Definitions of Non-GAAP Financial Data” for more information.

FIRST HALF AND FULL YEAR 2024 OUTLOOK[e]

In the first half of 2024, based on our assumptions and current market conditions, Vallourec expects:

- Group EBITDA to be broadly similar to second half 2023 EBITDA of €502m, driven by:
  - A slight decline in international Tubes volumes due to the closure of Vallourec's operations in Germany, offset by improved international pricing
  - Moderating declines in US Tubes pricing, offset by improving US sales volumes
  - Iron ore production sold of approximately 3 million tonnes, with mine costs remaining elevated
- Total cash generation be positive
- Net debt to decline further versus the year-end 2023 level, starting in the first quarter

For the full year 2024, based on our assumptions and current market conditions, Vallourec expects:

- Another year of strong EBITDA generation, driven by:
  - Continued strong performance in Tubes, due to robust pricing in backlog and further operational improvement
  - Iron ore production sold of approximately 6 million tonnes, with mine costs remaining elevated
- Total cash generation to be positive
- Net debt to decline further versus the year-end 2023 level, starting in the first quarter

Key items affecting Vallourec's cash flow in 2024 are expected to be as follows:

- Financial cash out is expected to be approximately (€100) million
- Tax payments are expected to reflect a mid to high 20% cash tax rate relative to reported pre-tax income
- Capital expenditures are expected to be approximately (€200) million
- Restructuring charges and non-recurring items are expected to represent a cash use of approximately (€200) million. This estimate includes the impact of the provisions and charges recorded in Fourth Quarter 2023.

[e] In all cases, total cash generation and net debt guidance excludes the potential positive impact of asset sales.

Information and Forward-Looking Statements

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

Accordingly, readers of this document are cautioned against relying on these forward-looking statements. These forward-looking statements are made as of the date of this document. Vallourec disclaims any intention or obligation to complete, update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws and regulations. This press release does not constitute any offer to purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Vallourec. or further information, please refer to the website https://www.vallourec.com/en .

Presentation of Q4 & FY 2023 Results

Conference call / audio webcast on March 1st at 9:30 am CET

- To listen to the audio webcast: https://channel.royalcast.com/landingpage/vallourec-en/20240301_1/
- To participate in the conference call, please dial (password: "Vallourec"):
  - +44 (0) 33 0551 0200 (UK)
  - +33 (0) 1 7037 7166 (France)
  - +1 786 697 3501 (USA)
- Audio webcast replay and slides will be available at: https://www.vallourec.com/en/investors

About Vallourec

Vallourec is a world leader in premium tubular solutions for the energy markets and for demanding industrial applications such as oil & gas wells in harsh environments, new generation power plants, challenging architectural projects, and high-performance mechanical equipment. Vallourec's pioneering spirit and cutting edge R&D open new technological frontiers. With close to 14,500 dedicated and passionate employees in more than 20 countries, Vallourec works hand-in-hand with its customers to offer more than just tubes: Vallourec delivers innovative, safe, competitive and smart tubular solutions, to make every project possible.

Listed on Euronext in Paris (ISIN code: FR0013506730, Ticker VK), Vallourec is part of the CAC Mid 60, SBF 120 and Next 150 indices and is eligible for Deferred Settlement Service.

In the United States, Vallourec has established a sponsored Level 1 American Depositary Receipt (ADR) program (ISIN code: US92023R4074, Ticker: VLOWY). Parity between ADR and a Vallourec ordinary share has been set at 5:1.

Financial Calendar

May 16th 2024	Release of First Quarter 2024 results
May 23rd 2024	Annual General Meeting
July 26th 2024	Release of Second Quarter and Half Year 2024 Results

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APPENDICES

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

Documents accompanying this release:

- Tubes Sales Volume
- Mine Sales Volume
- Foreign Exchange Rates
- Tubes Revenues by Geographic Region
- Tubes Revenues by Market
- Segment Key Performance Indicators (KPIs)
- Summary Consolidated Income Statement
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- Key Cash Flow Metrics
- Summary Consolidated Statement of Cash Flows (IFRS)
- Indebtedness
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- Definitions of Non-GAAP Financial Data

Tubes Sales Volume

in thousands of tonnes	2023	2022	YoY chg.
Q1	**431**	**395**	**9%**
Q2	**396**	**433**	**(9%)**
Q3	**343**	**462**	**(26%)**
Q4	**382**	**514**	**(26%)**
Total	**1,552**	**1,804**	**(14%)**

Mine Sales Volume

in millions of tonnes	2023	2022	YoY chg.
Q1	**1.5**	**0.1**	**nm**
Q2	**1.9**	**1.0**	**93%**
Q3	**1.8**	**1.5**	**21%**
Q4	**1.7**	**1.4**	**20%**
Total	**6.9**	**4.0**	**71%**

Foreign Exchange Rates

Average exchange rate	Q4 2023	Q3 2023	Q4 2022	FY 2023	FY 2022
EUR / USD	**1.08**	**1.08**	**1.05**	**1.08**	**1.05**
EUR / BRL	**5.40**	**5.42**	**5.44**	**5.40**	**5.44**
USD / BRL	**4.99**	**5.01**	**5.17**	**4.99**	**5.17**

Quarterly Tubes Revenues by Geographic Region

in € million	Q4 2023	Q3 2023	Q4 2022	QoQ % chg.	YoY % chg.
North America	548	460	744	*19%*	*(26%)*
South America	230	198	241	*16%*	*(5%)*
Middle East	212	162	111	*31%*	*91%*
Europe	57	116	137	*(51%)*	*(58%)*
Asia	89	80	111	*11%*	*(20%)*
Rest of World	61	52	123	*17%*	*(51%)*
Total Tubes	**1,196**	**1,068**	**1,467**	***12%***	***(18%)***

Annual Tubes Revenues by Geographic Region

in € million	FY 2023	FY 2022	YoY % chg.
North America	2,329	2,094	*11%*
South America	846	855	*(1%)*
Middle East	643	434	*48%*
Europe	427	606	*(30%)*
Asia	296	389	*(24%)*
Rest of World	260	285	*(9%)*
Total Tubes	**4,802**	**4,663**	***3%***

Quarterly Tubes Revenues by Market

in € million	Q4 2023	Q3 2023	Q4 2022	QoQ % chg.	YoY % chg.	YoY % chg. at Const. FX
Oil & Gas and Petrochemicals	1,017	845	1,185	*20%*	*(14%)*	*(11%)*
Industry	112	175	252	*(36%)*	*(55%)*	*(55%)*
Other	67	48	31	*39%*	*116%*	*126%*
Total Tubes	**1,196**	**1,068**	**1,467**	***12%***	***(18%)***	***(16%)***

Annual Tubes Revenues by Market

in € million	FY 2023	FY 2022	YoY % chg.	YoY % chg. at Const. FX
Oil & Gas and Petrochemicals	3,923	3,418	*15%*	*17%*
Industry	709	1,063	*(33%)*	*(33%)*
Other	170	181	*(6%)*	*3%*
Total Tubes	**4,802**	**4,663**	***3%***	***5%***

Quarterly Segment KPIs

		Q4 2023	Q3 2023	Q4 2022	QoQ chg.	YoY chg.
Tubes	Volume sold*	382	343	514	11%	(26%)
	Revenue (€m)	1,196	1,068	1,467	12%	(18%)
	Average Selling Price (€)	3,130	3,115	2,853	0.5%	10%
	EBITDA (€m)	249	193	285	29%	(13%)
	Capex (€m)	33	44	62	(25%)	(47%)
Mine & Forest	Volume sold*	1.7	1.8	1.4	(3%)	20%
	Revenue (€m)	101	88	70	15%	44%
	EBITDA (€m)	43	39	22	10%	99%
	Capex (€m)	7	6	13	17%	(46%)
H&O	Revenue (€m)	53	47	61	13%	(13%)
	EBITDA (€m)	(12)	(10)	2	20%	nm
Int.	Revenue (€m)	(73)	(62)	(57)	18%	28%
	EBITDA (€m)	1	–	3	nm	nm
Total	Revenue (€m)	1,276	1,142	1,541	12%	(17%)
	EBITDA (€m)	280	222	312	26%	(10%)
	Capex (€m)	42	51	78	(18%)	(46%)

** Volume sold in thousand tonnes for Tubes and in million tonnes for Mine*
H&O = Holding & Other, Int. = Intersegment Transactions
nm = not meaningful

Annual Segment KPIs

		FY 2023	FY 2022	YoY chg.
Tubes	Volume sold*	1,552	1,804	(14%)
	Revenue (€m)	4,802	4,663	3%
	Average Selling Price (€)	3,093	2,584	20%
	EBITDA (€m)	1,051	638	65%
	Capex (€m)	183	142	29%
Mine & Forest	Volume sold*	6.9	4.0	71%
	Revenue (€m)	375	245	53%
	EBITDA (€m)	180	113	59%
	Capex (€m)	26	44	(42%)
H&O	Revenue (€m)	197	210	(6%)
	EBITDA (€m)	(32)	(37)	(13%)
Int.	Revenue (€m)	(259)	(235)	10%
	EBITDA (€m)	(2)	1	nm
Total	Revenue (€m)	5,114	4,883	5%
	EBITDA (€m)	1,196	715	67%
	Capex (€m)	213	191	11%

** Volume sold in thousand tonnes for Tubes and in million tonnes for Mine*
H&O = Holding & Other, Int. = Intersegment Transactions
nm = not meaningful

Quarterly Summary Consolidated Income Statement

€ million, unless noted	Q4 2023	Q3 2023	Q4 2022	QoQ chg.	YoY chg.
Revenues	**1,276**	**1,142**	**1,541**	**134**	**(265)**
Cost of sales	(886)	(818)	(1,126)	(68)	240
Industrial margin	**390**	**324**	**415**	**66**	**(25)**
(as a % of revenue)	*30.6%*	*28.4%*	*26.9%*	*2.2 pp*	*3.6 pp*
Selling, general and administrative expenses	(86)	(85)	(90)	(1)	4
(as a % of revenue)	*(6.7%)*	*(7.4%)*	*(5.8%)*	*0.7 pp*	*(0.9) pp*
Other	(24)	(17)	(13)	(7)	(11)
EBITDA	**280**	**222**	**312**	**58**	**(32)**
(as a % of revenue)	*21.9%*	*19.4%*	*20.3%*	*2.5 pp*	*1.7 pp*
Depreciation of industrial assets	(40)	(41)	(46)	1	6
Amortization and other depreciation	(10)	(9)	(10)	(1)	(0)
Impairment of assets	153	–	(36)	153	189
Asset disposals, restructuring costs and non-recurring items	(185)	(26)	(56)	(159)	(129)
Operating income (loss)	**198**	**146**	**164**	**52**	**33**
Financial income (loss)	26	(22)	(60)	48	86
Pre-tax income (loss)	**224**	**124**	**104**	**100**	**119**
Income tax	(102)	(44)	(9)	(58)	(93)
Share in net income (loss) of equity affiliates	–	–	(15)	–	15
Net income	**122**	**81**	**80**	**41**	**41**
Attributable to non-controlling interests	17	5	2	12	15
Net income, Group share	**105**	**76**	**78**	**29**	**26**
Basic earnings per share (€)	0.46	0.33	0.34	0.12	0.12
Diluted earnings per share (€)	**0.44**	**0.32**	**0.34**	**0.11**	**0.10**
Basic shares outstanding (millions)	229	229	229	–	0
Diluted shares outstanding (millions)	**240**	**236**	**229**	**4**	**11**

Annual Summary Consolidated Income Statement

€ million, unless noted	FY 2023	FY 2022	YoY chg.
Revenues	**5,114**	**4,883**	**231**
Cost of sales	(3,520)	(3,807)	287
Industrial margin	**1,594**	**1,076**	**518**
(as a % of revenue)	*31.2%*	*22.0%*	*9.1 pp*
Selling, general and administrative expenses	(333)	(349)	16
(as a % of revenue)	*(6.5%)*	*(7.2%)*	*0.6 pp*
Other	(64)	(11)	(53)
EBITDA	**1,196**	**715**	**481**
(as a % of revenue)	*23.4%*	*14.6%*	*8.7 pp*
Depreciation of industrial assets	(166)	(183)	17
Amortization and other depreciation	(38)	(44)	6
Impairment of assets	145	(36)	181
Asset disposals, restructuring costs and non-recurring items	(279)	(574)	295
Operating income (loss)	**859**	**(122)**	**981**
Financial income (loss)	(66)	(111)	45
Pre-tax income (loss)	**793**	**(233)**	**1,026**
Income tax	(269)	(113)	(156)
Share in net income (loss) of equity affiliates	–	(18)	18
Net income	**524**	**(364)**	**888**
Attributable to non-controlling interests	28	3	25
Net income, Group share	**496**	**(366)**	**863**
Basic earnings per share (€)	2.17	(1.60)	3.76
Diluted earnings per share (€)	**2.07**	**(1.60)**	**3.67**
Basic shares outstanding (millions)	229	229	(0)
Diluted shares outstanding (millions)	**240**	**229**	**10**

Summary Consolidated Balance Sheet

In € million

Assets	31-Dec-23	31-Dec-22	Liabilities	31-Dec-23	31-Dec-22
			Equity - Group share	2,157	1,643
Net intangible assets	42	37	Non-controlling interests	67	42
Goodwill	40	40	**Total equity**	**2,224**	**1,686**
Net property, plant and equipment	1,980	1,829	Bank loans and other borrowings (A)	1,348	1,367
Biological assets	70	63	Lease debt	40	51
Equity affiliates	16	16	Employee benefit commitments	102	105
Other non-current assets	159	188	Deferred taxes	83	52
Deferred taxes	209	238	Provisions and other long-term liabilities	317	297
Total non-current assets	**2,516**	**2,409**	**Total non-current liabilities**	**1,890**	**1,871**
Inventories	1,242	1,312	Provisions	249	355
Trade and other receivables	756	824	Overdraft & other short-term borrowings (B)	122	314
Derivatives - assets	59	41	Lease debt	17	20
Other current assets	240	211	Trade payables	763	787
Cash and cash equivalents (C)	900	552	Derivatives - liabilities	79	36
			Other current liabilities	370	286
Total current assets	**3,197**	**2,939**	**Total current liabilities**	**1,600**	**1,797**
Assets held for sale and discontinued operations	1	9	Liabilities held for sale and discontinued operations	–	4
Total assets	**5,713**	**5,358**	**Total equity and liabilities**	**5,713**	**5,358**

Net financial debt (A+B-C)	**570**	**1,130**	**Net income (loss), Group share**	**496**	**(366)**

Quarterly Key Cash Flow Metrics

In € million	Q4 2023	Q3 2023	Q4 2022	QoQ chg.	YoY chg.
EBITDA	**280**	**222**	**312**	**58**	**(32)**
Non-cash items in EBITDA	(1)	11	(13)	(12)	12
Financial cash out	(1)	(8)	(63)	7	62
Tax payments	(52)	(54)	(23)	2	(29)
Adjusted operating cash flow	**226**	**171**	**213**	**55**	**13**
Change in working capital	92	97	183	(5)	(91)
Gross capital expenditure	(43)	(51)	(78)	8	35
Adjusted free cash flow	**275**	**217**	**318**	**58**	**(43)**
Restructuring charges & non-recurring items	(193)	(63)	(53)	(130)	(140)
Asset disposals & other cash items (A)	67	(4)	58	71	9
Total cash generation (B)	**149**	**150**	**323**	**(1)**	**(174)**
Non-cash adjustments to net debt	22	(23)	41	45	(19)
(Increase) decrease in net debt	**171**	**127**	**364**	**44**	**(193)**
Free cash flow, as previously defined (B-A)	82	154	265	(72)	(183)

Annual Key Cash Flow Metrics

In € million	FY 2023	FY 2022	YoY chg.
EBITDA	**1,196**	**715**	**481**
Non-cash items in EBITDA	2	(68)	70
Financial cash out	(88)	(110)	22
Tax payments	(182)	(79)	(103)
Adjusted operating cash flow	**928**	**458**	**470**
Change in working capital	145	(355)	500
Gross capital expenditure	(213)	(191)	(22)
Adjusted free cash flow	**860**	**(88)**	**948**
Restructuring charges & non-recurring items	(362)	(128)	(234)
Asset disposals & other cash items (A)	70	16	54
Total cash generation (B)	**568**	**(200)**	**768**
Non-cash adjustments to net debt	(8)	28	(36)
(Increase) decrease in net debt	**560**	**(172)**	**732**
Free cash flow, as previously defined (B-A)	498	(216)	714

Summary Consolidated Statement of Cash Flows (IFRS)

In € million	FY 2023	FY 2022	YoY chg.
Consolidated net income (loss)	**524**	**(364)**	**888**
Net additions to depreciation, amortization and provisions	(127)	645	(771)
Unrealized gains and losses on changes in fair value	152	(15)	167
Capital gains and losses on disposals	(50)	31	(81)
Share in income (loss) of equity-accounted companies	(0)	18	(18)
Other cash flows from operating activities	(1)	(1)	0
Cash flow from (used in) operating activities after cost of net debt and taxes	**498**	**314**	**184**
Cost of net debt	88	95	(7)
Tax expense (including deferred taxes)	269	113	156
Cash flow from (used in) operating activities before costs of net debt and taxes	**856**	**522**	**334**
Interest paid	(137)	(119)	(18)
Tax paid	(182)	(79)	(102)
Interest received	29	7	22
Cash flow from (used in) operating activities	**566**	**330**	**236**
Change in operating working capital in the statement of cash flows	145	(355)	500
Net cash flow from (used in) operating activies (A)	**711**	**(25)**	**736**
Acquisitions of property, plant and equipment and intangible assets	(213)	(191)	(22)
Disposals of property, plant and equipment and intangible assets	80	37	44
Impact of acquisitions (changes in consolidation scope)	(0)	(3)	3
Impact of disposals (changes in consolidation scope)	–	0	(0)
Other cash flow from investing activities	3	(5)	8
Net cash flow from (used in) investing activities (B)	**(130)**	**(162)**	**32**
Increase or decrease in equity attributable to owners	4	1	4
Dividends paid to non-controlling interests	(5)	(2)	(2)
Proceeds from new borrowings	4	142	(138)
Repayment of borrowings	(210)	(42)	(168)
Repayment of lease liabilities	(23)	(30)	6
Other cash flow used in financing activities	15	22	(7)
Net cash flow from (used in) financing activites (C)	**(215)**	**91**	**(306)**
Impact of changes in exchange rates (D)	**(15)**	**28**	**(43)**
Impact of reclassification to assets held for sale and discontinued operations (E)	**–**	**(2)**	**2**
Change in net cash (A+B+C+D+E)	**351**	**(70)**	**422**
Opening net cash	**547**	**617**	**(70)**
Closing net cash	**898**	**547**	**351**

Indebtedness

In € million	31-Dec-23	31-Dec-22
8.500% Bonds due 2026	1,105	1,135
1.837% PGE due 2027	229	220
ACC ACE [(a)]	94	282
Other	42	43
Total gross financial indebtedness	**1,470**	**1,681**
Cash and cash equivalents	900	552
Total net financial indebtedness	**570**	**1,130**

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

Liquidity

In € million	31-Dec-23	31-Dec-22
Cash and cash equivalents	900	552
Available RCF	462	462
Available ABL [(a)]	177	189
Total liquidity	**1,539**	**1,203**

(a) *This $210m committed ABL is subject to a borrowing base calculation based on eligible accounts receivable and inventories, among other items. The borrowing base is currently approximately $205m. Availability is shown net of approximately $9m of letters of credit and other items.*

Reconciliation of New Cash Metrics

	Q4 2022 Free Cash Flow Reconciliation							
Prior Naming Convention	**Prior Format**	**Non-cash items in EBITDA [a]**	**Restructuring & non-recurring items**	**Other financial cash impacts**	**Capital expenditures**	**Other investing and financing cash impacts**	**New Format**	**Current Naming Convention**
EBITDA	**312**	**–**	**–**	**–**	**–**	**–**	**312**	**EBITDA**
Provisions and other non-cash elements	(15)	2	–	–	–	–	(13)	Non-cash items in EBITDA
Interest payments	(51)	–	–	(11)	–	–	(63)	Financial cash out
Tax payments	(23)	–	–	–	–	–	(23)	Tax payments
Other (including restructuring charges)	(62)	(2)	53	11	–	–	–	–
Operating cash flow before change in WCR	**161**	**–**	**53**	**–**	**–**	**–**	**213**	**Adjusted operating cash flow**
Change in operating WCR [+ decrease , - increase]	183	–	–	–	–	–	183	Change in working capital
–	–	–	–	–	(78)	–	(78)	Gross capital expenditure
Operating cash flow	**344**	**–**	**53**	**–**	**(78)**	**–**	**318**	**Adjusted free cash flow**
Gross capital expenditure	(78)	–	–	–	78	–	–	–
–	–	–	(53)	–	–	–	(53)	Restructuring charges & non-recurring items
–	–	–	–	–	–	58	58	Asset disposals & other cash items
Free cash flow	**265**	**–**	**–**	**–**	**–**	**58**	**323**	**Total cash generation**
Assets disposal & other items	98	–	–	–	–	(58)	41	Non-cash adjustments to net debt
Change in net debt [+ decrease, (increase)]	**364**	**–**	**–**	**–**	**–**	**–**	**364**	**(Increase) decrease in net debt**

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

DEFINITIONS OF NON-GAAP FINANCIAL DATA

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

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

Asset disposals and other cash items includes cash inflows from asset sales as well as other investing and financing cash flows.

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

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

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

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

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

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

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

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

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

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

Net debt: Consolidated net debt (or "net financial debt") is defined as bank loans and other borrowings plus overdrafts and other short-term borrowings minus cash and cash equivalents. Net debt excludes lease debt.

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

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

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

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

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

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

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