

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

Meudon (France), March 12th, 2024, Vallourec, a world leader in premium tubular solutions, announces today that ArcelorMittal has 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 marks 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.

Vallourec welcomes the transition in reference shareholder from Apollo, the leader of Vallourec's successful financial restructuring, to ArcelorMittal, a global steel industry player. ArcelorMittal is a world leader in steelmaking and mining, present in 60 countries and with primary steel production facilities in 15 countries. We are pleased with ArcelorMittal's confidence in Vallourec's new trajectory and success in executing a substantial strategic shift. It also represents a long-term commitment, as ArcelorMittal shares with Vallourec a common industrial vision and complementary, world-renowned expertise. ArcelorMittal will hold 28,4% of the voting rights and 27,5% of the share capital of the Company following the closing of the transaction.

This transaction was made possible by the New Vallourec plan, which was announced in May 2022 with the arrival of Philippe Guillemot as CEO. The New Vallourec plan, endorsed by Apollo since Philippe Guillemot's arrival, has transformed the Group into a focused, streamlined, and resilient company with a promising future. Vallourec's 2023 earnings were the best Group results in nearly 15 years, and the Group has reduced its net debt by more than €900 million versus third quarter 2022 peak. Vallourec remains on track to reach zero net debt by the end of 2025 at the latest and is undertaking several initiatives to continue to deliver enhanced shareholder value over the coming years.

Vallourec further reiterates its outlook given in its Fourth Quarter and Full Year 2023 Results press release. Based on current market conditions and management's assumptions, Vallourec expects that Group EBITDA in the first half of 2024 will be broadly similar to second half 2023 EBITDA. For the full year, Vallourec anticipates strong EBITDA generation due to robust Tubes pricing in backlog and operational improvement. In keeping with prior years' financial communication, Vallourec has not provided a quantitative full-year EBITDA outlook and expects it will provide such an outlook during the communication of its first half results.

The completion of the acquisition is expected to close in the second half of the year, after obtaining the relevant regulatory approvals. Such acquisition will not entail a change of control of Vallourec and ArcelorMittal does not intend to launch a voluntary tender offer for Vallourec's remaining shares over the next six months. Vallourec and ArcelorMittal will enter into discussions for a shareholders' agreement which will contain customary provisions for such type of transaction, with 2 board seats for ArcelorMittal upon closing of the acquisition (subject to negotiations). In accordance with applicable law, the main terms of the shareholders' agreement will be made publicly available in due course.

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

"I would like to thank Apollo, for its decisive action during Vallourec's financial restructuring and its unfailing support in Vallourec's financial and industrial turnaround that I initiated when I took over the helm of the Company two years ago. With Apollo's help, we have fundamentally changed the operational and financial structure of Vallourec, and are now well-positioned to carry this momentum into the future. ArcelorMittal is a natural shareholder for Vallourec, and we are excited for the contributions it will bring to our Company. We share a passion for the global steel industry and share a common vision of its future. With this transaction, we transition from a world-class financial partner to a world-class industrial partner. I look forward to leading this magnificent group and continuing to realize the full potential of our premier industrial base."

Information and Forward-Looking Statements

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

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

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 15,000 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.

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