Press release

Vallourec reports first quarter 2021 results

Boulogne-Billancourt (France), May 20th 2021 – Vallourec, a world leader in premium tubular solutions, today announces its results for the first quarter 2021. The consolidated financial information was presented by Vallourec's Management Board to its Supervisory Board on May 19th 2021.

Q1 results: improved EBITDA at €80 million

- €702 million revenue, down 18% year-on-year (-5% at constant exchange rates)
- €80 million EBITDA versus €68 million in Q1 2020 driven by mine contribution and cost savings
- EBITDA margin up 3.4p.p. to 11.4% of revenue
- Free cash flow at (€62) million versus (€181) million in Q1 2020
- Cash position at €1,242 million as at March 31st 2021

Confirmed 2021 Outlook:

- Increased 2021 outlook released on April 30th based on higher expected volumes and sales prices for OCTG in North America, and a higher contribution from the iron ore mine in Brazil
  - EBITDA targeted between €350 and €400 million
  - Free cash flow targeted between (€340) and (€260) million including the exercise of the repurchase option of a lease contract in Brazil
- Continuous cost savings throughout the year
- Maintained strict cash control, with a capex envelope of c. €160 million

Implementation of the financial restructuring to be completed on June 30th 2021…

- Safeguard Plan approved by the Commercial Court of Nanterre on May 19th 2021
- Launch of the €300m rights issue, backstopped by the Converting Creditors[1], planned beginning of June
- Closing of the financial restructuring planned to take place on June 30th (including the capital increase reserved to the Converting Creditors)

… allowing the roll-out of our strategic plan

- Reinforcing the profitability of Vallourec's core business by implementing additional cost savings, maximizing the utilization of our most competitive routes, and continued innovation to successfully leverage market recovery
- Exploiting the full potential of our mine in Brazil, with a new iron ore treatment line by the end of 2021
- Innovating in low carbon energy solutions to seize energy transition growth opportunities

Rooted in strong ESG commitment

- 1.7 ton of CO_2 per ton of tubes produced
- Rated AA by MSCI and n°13 of 128 among companies related to Energy Sector Services by Sustainalytics
- 25% reduction in the Group's greenhouse gas emissions in 2025 versus 2017, in line with the Paris Agreement as validated by SBTi in May 2020

[1] Converting Creditors means all creditors of Vallourec S.A.under the RCFs and the Notes, except Commercial Banks (Commercial Banks means BNP Paribas, Banque Fédérative du Crédit Mutuel/CIC and Natixis)

Information
Quarterly financial statements are unaudited and not subject to any review.
Unless otherwise specified, indicated variations are expressed in comparison with the same period of the previous year.

Key figures

In € million	Q1 2021	Q1 2020	Change	Q4 2020
Production shipped (k tons)	**358**	**450**	-20.4%	**408**
Revenue	**702**	**853**	-17.7%	**830**
EBITDA	**80**	**68**	17.6%	**76**
(as a % of revenue)	*11.4%*	*8.0%*	*+3.4p.p.*	*9.2%*
Operating income (loss)	**27**	**(29)**	+€56m	**(495)**
Net income, Group share	**(93)**	**(74)**	-€19m	**(570)**
Free cash-flow	**(62)**	**(181)**	+€119m	**112**
Net debt	**2,364**	**2,267**	+€97m	**2,214**

Edouard Guinotte, Chairman of the Management Board, declared:

Despite the continuing impact of the Covid-19 pandemic all over the world and remaining uncertainties around its evolution, the acceleration of the vaccination campaign in many countries provides with reinforced optimism about the global economic recovery. In past weeks, the Group's prospects have improved with regard to expected OCTG volumes and prices in North America, as well as to the iron ore mine contribution in Brazil. This led us to increase our 2021 outlook.

Our Q1 EBITDA was up year-on-year, as the result of the savings initiatives deployed across the Group, and the higher results of the iron ore mine.

Following its approval by our creditors and shareholders, the financial restructuring plan was approved by the Commercial Court of Nanterre on May 19th, 2021, which paves the way for its completion planned on June 30th, 2021.

Completing our financial restructuring will ensure a leaner financial structure, enabling us, with the support of our new reference shareholders Apollo and SVPGlobal, to roll out our strategic plan. First, we aim to reinforce the profitability of our core business by implementing additional cost savings, maximizing the utilization of our most competitive routes, as well as continuing to innovate in our core business. Secondly, we will create additional value by further exploiting the potential of our mine in Brazil and innovating in the energy transition.

The launch of a €300m rights issue, planned in early June, will offer our shareholders the opportunity to accompany Vallourec on this path to value creation.

I - CONSOLIDATED REVENUE BY MARKET

In € million	**Q1 2021**	**Q1 2020**	Change	At constant exchange rates	**Q4 2020**
Oil & Gas, Petrochemicals	410	613	-33.1%	-25.0%	566
Industry & Other	255	193	31.9%	60.6%	225
Power Generation	37	47	-21.7%	-19.1%	39
Total	**702**	**853**	**-17.7%**	**-5.2%**	**830**

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

Over the first quarter of 2021, Vallourec reported a €702 million revenue, down 18% compared with Q1 2020 (- 5% at constant exchange rates) with:

- a -20% volume impact mainly driven by Oil & Gas in North America and, to a lesser extent, in EA-MEA, while Industry & Other volume were up both in Europe and Brazil
- a +15% price/mix effect reflecting a better price/mix in South America and the higher contribution of our iron ore mine
- a -13% currency conversion effect mainly related to EUR/BRL.

Oil & Gas, Petrochemicals (58% of Q1 2021 consolidated revenue)

In Q1 2021, **Oil & Gas revenue totaled €364 million, a (€188) million decrease or -34% year-on-year** (-26% at constant exchange rates).

- **In North America**, Oil & Gas revenue decrease was driven by lower deliveries and prices compared to Q1 2020.
- **In EA-MEA**, Oil & Gas revenue decrease reflected mainly lower volumes.
- **In South America**, Oil & Gas revenue increase, despite an unfavorable currency conversion effect, reflected higher volumes and price/mix.

In Q1 2021, Petrochemicals revenue was **€46 million, down 24% year-on-year** (-15% at constant exchange rates) notably due to lower deliveries in North America and in EA-MEA.

In Q1 2021, revenue for Oil & Gas and Petrochemicals amounted to €410 million, down 33% year-on-year (-25% at constant exchange rates).

Industry & Other (36% of Q1 2021 consolidated revenue)

Industry & Other revenue amounted to €255 million in Q1 2021, up 32% year-on-year (+61% at constant exchange rates):

- In Europe, Industry revenue was up, driven by higher volumes
- In South America, Industry & Other revenue was up, on account of higher revenue from the iron ore mine reflecting both higher prices and volumes which reached 1.9Mt (up 28% versus Q1 2020), as well as of higher sales in the Industry market driven by increased volumes and prices, despite an unfavorable currency conversion effect.

Power Generation (5% of Q1 2021 consolidated revenue)

Power Generation revenue amounted to €37 million in Q1 2021, down 22% year-on-year (-19% at constant exchange rates), reflecting the closure of the Reisholz facility mid-2020.

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II – Q1 2021 CONSOLIDATED RESULTS ANALYSIS

In Q1 2021, EBITDA increased to €80 million compared with €68 million in Q1 2020. EBITDA margin improved to 11.4% of revenue versus 8.0% in Q1 2020, as a result of:

- A €168 million industrial margin, slightly up compared with €161 million in Q1 2020, increasing at 23.9% of revenue versus 18.9%. The higher mine contribution, combined with results from savings initiatives launched across the Group, more than offset the effect of the decrease in the Oil & Gas activity in EA-MEA and in North America.
- A 14% decrease in sales, general and administrative costs (SG&A) at €77 million or 11.0% of revenues, reflecting our cost savings measures.

At €27 million, operating result was positive versus a (€29) million loss of in Q1 2020, reflecting, in addition to higher EBITDA, limited restructuring charges as well as lower depreciation and amortization.

Financial result was negative at (€82) million, compared with (€35) million in Q1 2020 (which was positively impacted by the settlement of a dispute in Brazil for €26 million). While net interest expenses remained stable, the financial result recorded the accelerated amortization of existing bonds costs for (€16) million and (€7) million of debt restructuring fees incurred to date.

Income tax amounted to (€40) million mainly related to activities in Brazil, versus (€20) million in Q1 2020.

This resulted in a (€93) million net loss (Group share), versus (€74) million in Q1 2020.

III - CASH FLOW, NET DEBT AND LIQUIDITY

Cash flow from operating activities

In Q1 2021, cash flow from operating activities was positive at €13 million, compared with (€31) million in Q1 2020; the improvement reflected mainly the increased EBITDA and the freeze on payment of financial interests under the safeguard proceeding period opened on February 4th (for an amount of €44 million of accrued interests), partly offset by the non-recurring positive effect in Q1 2020 of the settlement of a dispute in Brazil for €26 million.

Operating working capital requirement

Operating working capital requirement increased by €47 million in Q1 2021, versus a €119 million increase of in Q1 2020, reflecting a good performance in net working capital management - at 104 days of sales, compared with 119 days in Q1 2020 - and benefiting from NSC's payment of its residual fixed costs coverage obligation following the sale of its share in VSB, in Brazil, for €34 million.

Capex

Gross capital expenditure was (€28) million in Q1 2021, compared with (€31) million in Q1 2020, in line with usual capital expenditure calendarization.

Free cash flow

As a result, **in Q1 2021, free cash flow was negative at (€62) million** versus (€181) million in Q1 2020.

Asset disposals & other items

Asset disposals & other items amounted to (€89) million in Q1 2021, reflecting mainly accrued interests related to the financial restructuring for (€44) million, the accelerated amortization of existing bonds costs for (€16) million, the last reimbursement of NSC shareholder loan to VSB for (€9) million and the acquisition of NSC shares in VSB for (€7) million.

Net debt and liquidity

As at March 31st 2021, net debt stood at €2,364 million, versus €2,214 million as at December 31st 2020.
As at March 31st 2021, lease debt stood at €103 million, versus €108 million as at December 31st 2020.
As at March 31st 2021, cash amounted to €1,242 million, versus €1,390m as at December 31st 2020.

At the same date, long-term debt amounted to €9 million and short-term debt totaled €3,597 million reflecting the reclassification of bonds from long-term to short-term debt as a result of the ongoing financial restructuring.

Assets disposal for sale

As at March 31st 2021, €92 million of assets were recorded for sale and were mainly related to nuclear activities. The disposal of Valinox Nucléaire SAS should take place during the first half of 2021.

IV – 2021 OUTLOOK

Oil & Gas

In North America, the OCTG market is showing a progressive improvement with higher prices and volumes.
In EA-MEA, in addition to the overall activity still strongly impacted by the pandemic and price/mix remaining under pressure, the sharp decline in deliveries of high alloy products will negatively impact revenue and margin. Nevertheless, resuming tendering activity in 2021 should translate into higher 2022 activity.
In Brazil, Oil & Gas deliveries are expected to increase compared with 2020.

Industry & Other

In Europe, economic recovery is underway and should continue having a positive impact on our activity.
In Brazil, the overall level of activity is expected to continue increasing.
A higher contribution is expected from the iron ore mine, although prices are expected to gradually decrease along the year.

Cost savings

Cost saving initiatives will enable the Group to continue to lower its cost base.
A strict cash control will be maintained, with a capex envelope of c.€160 million.

Based on these perspectives, Vallourec has released on April 30th an upgraded outlook for full year 2021:

- **€350 to €400 million targeted EBITDA**
- **(€340) to (€260) million targeted free cash flow**
- The new free cash flow objective includes a c.€65 million additional cash outflow, resulting from exercising the repurchase option for the debt of the lease contract (DBOT) in Brazil.

V – WRITING A NEW CHAPTER FOR VALLOUREC: ROBUST STRATEGIC PLAN SUPPORTED BY STRENGTHENED BALANCE SHEET

Further enhance profitability: cost measures and value additive services

Maximizing the utilization of our most competitive routes

Brazilian activities have been streamlined and major savings have been made. VSB which is our flagship for export, is qualified by Majors for premium OCTG products.
Tianda, acquired at the end of 2016, is now fully integrated within Vallourec's global network. Tianda is now qualified by Majors and national oil companies for conventional premium and targets premium production to represent 45% of its total production by 2025, compared with 23% in 2020.
The Group is targeting a utilization rate of new routes[2] for premium Oil & Gas demand in the EA-MEA regions of approximately 74% in 2025.

€400m additional gross savings by 2025

To strengthen its competitiveness, Vallourec is targeting **€400m additional gross cost savings by 2025**. This cost savings potential is confirmed in the 2021-2025 industrial roadmap relying on more than 250 initiatives identified and monitored at Group level, including:

- **Process improvement** through the deployment of Industry 4.0 tools, data analytics, and intensification of lean initiatives.
- **Sourcing initiatives** including spend control tower and low-cost countries procurement.

This industrial roadmap is empowered by specific actions at regional level:

- In Europe, the production capacity is being adapted to planned demand, including the closure of Deville site, a social plan across French sites and structural measures on working time and shift pattern in Germany.
- In Brazil, the execution of the full cost reduction potential at the steel plant, the optimization of the production flows within and across the sites and the internalization of key functions.
- In North America, the maximum use of the most competitive flows by debottlenecking and internalization initiatives and the strengthening of the operations agility to cope with market volatility.

Technological edge and brand recognition at the heart of Vallourec's Strategy

The Group also intends to capture incremental revenues by leveraging its technological edge and brand recognition to develop new products and solutions.

Thanks to its proven know-how, supported by five dedicated R&D centers in Europe, Brazil and the US, and 430 researchers and technicians, the Group enjoys a leading position in premium OCTG connections with VAM® product family, co-developed with Nippon Steel.

Vallourec continues to innovate and maintain its technological leadership: it successfully launched new connections such as VAM® Sprint-SF, VAM® Sprint-FJ or VAM® SLIJ-3 and developed new steel grades offering higher corrosion resistance, strong robustness at low temperatures and exceptional weldability.

Vallourec multiplies collaborations with its customers and start-ups to develop innovative solutions for them as recently demonstrated by the first 3D-printed safety-critical component delivered to Total in the North Sea.

Complemented by a range of services combining on-site assistance and digital solutions.

Vallourec's technical excellence will be completed by a wide range of services and digital solutions.

[2] Percentage of premium OCTG and PLP products rolled at VSB or Tianda, compared to total swing order deliveries, i.e., orders that may be served interchangeably from Europe, Brazil or Asia.

The Group's ambition is to use service as a differentiating factor for its historical product lines and diversify by developing new services supported by digital technology and the Smartengo™ brand.
It brings together the physical services offered to our customers: teams of on-site engineers, customer supply chain optimization services, and the incubation and development of a complementary and stand-alone digital offering.

Supportive medium-term trends in our core markets based on clear fundamentals

Oil& Gas

Global oil demand is generally expected to rebound above 100mb/d, together with stock drawdown and natural field depletion, and will lead to E&P capex recovery notably in Vallourec's key regions: Middle-East, Brazil, United States and China.

In North America, 2021 drilling activity recovery (+190 rigs in the US from 08/2020) is expected to continue in 2022 as inventories and DUCs will decrease. The drilling recovery is however limited by end user's capital discipline and drilling efficiencies. Price recovery starting in 2021 is supported by the balance of domestic supply and demand, as well as raw materials surge. Additionally, the market is experiencing a consolidation of competition and distribution. The reduction of welded pipe capacity should also positively impact the share of seamless pipe.

In South America, and in particular in offshore Brazil, Petrobras is focusing its E&P CAPEX on the development of its core pre-salt projects and demand is exclusively for high-end premium. The PLP offshore projects trend is also positive and Guyana development is offering additional opportunities.

In EA-MEA, the market is suffering from the strong impact of the crisis in 2020-2021. The market recovery in volume is expected to take place as from 2022 especially in winning regions (Middle-East and East-Africa) as E&P Capex are released. The competition intensity should keep prices under pressure across the regions.

Industry & Other

Brazilian Industry is quickly recovering. Long-term moderate growth should be supported by competitiveness of the Brazilian industry.
Iron ore prices are currently favorable but are expected to decrease gradually. The start-up of a new treatment line is expected by end 2021.

European Industry market collapsed in 2020 but is following a V-shape recovery in 2021. A moderate growth is forecasted after restocking in 2021.

Activate additional levers of value creation

Exploiting the full potential of our mine in Brazil: new iron ore treatment line by the end of 2021

The expansion of the iron ore mine production capacity in Brazil for an investment of around €60 million is in progress, with a start-up expected by the end of 2021. This will lead to a total production of 8.7 Mt/year as from 2022. With its very competitive cost structure, the mine is highly profitable.

Innovating in low carbon energy solutions to seize energy transition growth opportunities

The Group targets to seize opportunities related to the energy transition by developing solutions in the following areas: geothermal, offshore wind, carbon capture utilization and storage (CCUS), hydrogen and solar power.

Vallourec will draw on its industrial expertise, innovation capacities, and relationship with customers committed to the energy transition to take advantage of these opportunities. Vallourec has set up a dedicated structure to conduct innovative projects and is already present in each of these identified segments:

- Regarding geothermal energy, Vallourec is adapting its Oil & Gas expertise to support the growth of our geothermal clients in demanding environments (corrosion, high temperature).
- Regarding wind offshore, Vallourec provides secondary steel structures foundations for wind turbines as well as tubular structures for jackets and wind turbine installation vessels and cranes.
- The Group is contributing to the safe deployment of CCUS (carbon capture, utilization, and storage) infrastructure. Vallourec's line pipes allow for safe transport of CO_2 and its OCTG products are suitable for injecting CO_2 underground.
- Regarding hydrogen, Vallourec is providing tubular solutions for hydrogen projects – transportation, distribution and storage – that require a high level of water tightness and corrosion resistance.
- Vallourec assists solar actors by providing optimized tubular structures of supporting solar panels for large-scale structures such as parking lots shade structures and agricultural and industrial hangars.

A leaner financial structure to execute the strategic plan

This strategic plan will be rolled out within the framework of a leaner financial structure following the completion of the financial restructuring. Hence, the debt will be reduced by €1.8 billion leading to a suitable 2020 proforma net leverage of c1.6x. Financial charges will be reduced by c.€110m on a full-year basis resulting from the new debt structure and the termination of the DBOT lease contract (representing c.€20m reduction in financial charges). Finally, the new normative Capex envelope for the coming years will be contained under €200 million thanks to a state-of-art industrial footprint.

VI – €300M RIGHTS ISSUE TO ACCOMPANY VALLOUREC ON THE IDENTIFIED PATH TO VALUE CREATION

As approved by the shareholders during the AGM and subject to the approval by the AMF of the related prospectus, Vallourec will launch a €300m rights issue with preferential rights beginning of June.

The €5.66 subscription price of the rights issue reflects a 30% discount compared to the price of the capital increase reserved to the Converting creditors of €8.09 per new share.

Bpifrance Participations and Nippon Steel Corporation have already undertaken to subscribe for respectively €20 million and €35 million.

This rights issue will lead to the issuance of c. 53 million new shares which will represent c. 23% of the share capital post financial restructuring before the exercise of warrants (c. 20% after).

The rights issue will be backstopped by the Converting Creditors by way of set-off debt against claims and the cash proceeds will be used to repay a portion of the Converting Creditors' claims.

Information and Forward-Looking Statements

This presentation may include 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. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risks include those developed or identified in the public documents filed by Vallourec with the French Financial Markets Authority (Autorité des marches financiers, or “AMF”), including those listed in the “Risk Factors” section of the Registration Document filed with the AMF on March 29, 2021. 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.

Cautionary Statement

This press release does not, and shall not, in any circumstances constitute a public offering or an invitation to the public in connection with any offer.

No communication and no information in respect of this transaction may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction (other than France) where such steps would be required. The issue, the subscription for or the purchase of Vallourec’s shares may be subject to specific legal or regulatory restrictions in certain jurisdictions. Vallourec assumes no responsibility for any violation of any such restrictions by any person.

This announcement is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and the Council of June 14, 2017 (as amended or superseded, the “Prospectus Regulation”). No securities offering will be opened to the public in France before the delivery of the approval on a prospectus prepared in compliance with the Prospectus Regulation, as approved by the AMF.

In France, an offer of securities to the public may only be made pursuant to a prospectus approved by the AMF. With respect to the member States of the European Economic Area (each, a “relevant member State”), other than France, no action has been undertaken or will be undertaken to make an offer to the public of the shares requiring a publication of a prospectus in any relevant member State. Consequently, the securities cannot be offered and will not be offered in any member State (other than France), except in accordance with the exemptions set out in Article 1(4) of the Prospectus Regulation, or in the other case which does not require the publication by Vallourec of a prospectus pursuant to the Prospectus Regulation and/or applicable regulation in the member States.

This press release does not constitute an offer of the securities to the public in the United Kingdom. The distribution of this press release is not made, and has not been approved, by an authorized person (“authorized person”) within the meaning of Article 21(1) of the Financial Services and Markets Act 2000. As a consequence, this press release is directed only at (x) persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), or (iii) are high net worth entities falling within Article 49(2) of the Order and (y) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “Relevant Persons”). The securities are directed only at Relevant Persons and no invitation, offer or agreements to subscribe, purchase or acquire the securities may be proposed or made other than with Relevant Persons. Any person other than a Relevant Person may not act or rely on this document or any provision thereof. This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

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The distribution of this press release in certain countries may constitute a breach of applicable law. The information contained in this press release does not constitute an offer of securities for sale in the United States, Canada, Australia or Japan.

Presentation of Q1 2021 results

Analyst conference call / audio webcast at 6:30 pm (Paris time) to be held in English.

- To listen to the audio webcast:
  https://channel.royalcast.com/landingpage/vallourec-en/20210520_1/

- To participate in the conference call, please dial (password to use is "Vallourec"):

  - +44 (0) 33 0551 0200 (UK)
  - +33 (0) 1 7037 7166 (France)
  - +1 212 999 6659 (USA)

- Audio webcast replay and slides will be available on the website 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 17,000 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 SBF 120 index and is eligible for Deferred Settlement Service Long Only.

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.

Calendar

July 28th 2021	Release of second quarter and first half 2021 results

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Appendices

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

Documents accompanying this release:

- Sales volume
- Forex
- Revenue by geographic region
- Revenue by market
- Summary consolidated income statement
- Summary consolidated balance sheet
- Free cash flow
- Cash flow statement
- Definitions of non-GAAP financial data

Sales volume

In thousands of tons	**2021**	**2020**	Change
Q1	358	450	-20.4%
Q2	-	422	-
Q3	-	319	-
Q4	-	358	-
Total	**358**	**1,599**	

Forex

Average exchange rate	**Q1 2021**	**Q1 2020**
EUR / USD	1.20	1.10
EUR / BRL	6.60	4.92
USD / BRL	5.48	4.47

Revenue by geographic region

In € million	Q1 2021	As % of revenue	Q1 2020	As % of revenue	Change
Europe	113	16.1%	148	17.4%	-23.6%
North America (Nafta)	115	16.4%	270	31.7%	-57.4%
South America	226	32.2%	152	17.8%	48.7%
Asia and Middle East	198	28.2%	226	26.5%	-12.4%
Rest of the world	49	7.0%	57	6.7%	-14.0%
Total	**702**	**100%**	**853**	**100%**	**-17.7%**

Revenue by market

In € million	Q1 2021	As % of revenue	Q1 2020	As % of revenue	Variation
Oil & Gas	364	51.9%	552	64.7%	-34.1%
Petrochemicals	46	6.6%	61	7.2%	-24.6%
Oil & Gas, Petrochemicals	**410**	**58.4%**	**613**	**71.9%**	**-33.1%**
Mechanicals	94	13.4%	79	9.3%	18.7%
Automotive	19	2.7%	18	2.1%	5.6%
Construction & Other	142	20.2%	96	11.2%	47.7%
Industry & Other	**255**	**36.3%**	**193**	**22.6%**	**31.9%**
Power Generation	**37**	**5.2%**	**47**	**5.5%**	**-21.7%**
Total	**702**	**100%**	**853**	**100%**	**-17.7%**

Summary consolidated income statement

In € million	Q1 2021	Q1 2020	Change
Revenue	**702**	**853**	-17.7%
Cost of sales	**(534)**	**(692)**	-22.8%
Industrial Margin	**168**	**161**	4.3%
(as a % of revenue)	*23.9%*	*18.9%*	*+5.1p.p.*
Sales, general and administrative costs	(77)	(90)	-14.4%
Other	(11)	(3)	na
EBITDA	**80**	**68**	17.6%
(as a % of revenue)	*11.4%*	*8.0%*	*+3.4p.p.*
Depreciation of industrial assets	(43)	(59)	-27.1%
Amortization and other depreciation	(9)	(14)	na
Impairment of assets	-	-	na
Asset disposals, restructuring costs and non-recurring items	(1)	(24)	na
Operating income (loss)	**27**	**(29)**	+€56m
Financial income/(loss)	(82)	(35)	-€47m
Pre-tax income (loss)	**(55)**	**(64)**	+€9m
Income tax	(40)	(20)	na
Share in net income/(loss) of equity affiliates	(3)	(1)	na
Net income	**(98)**	**(85)**	-€13m
Attributable to non-controlling interests	(5)	(11)	na
Net income, Group share	**(93)**	**(74)**	-€19m
Net earnings per share (in €) *	**(8.2)**	**(0.2)**	na

na = not applicable
** Q1 2021 figures impacted by the new number of shares following reverse stock split effective on May 25th 2020.*

Summary consolidated balance sheet

In € million

Assets	3/31/2021	12/31/2020	Liabilities	3/31/2021	12/31/2020
			Equity - Group share *	(200)	(187)
			Non-controlling interests	238	321
Net intangible assets	47	50	**Total equity**	**38**	**134**
Goodwill	24	25	**Shareholder loan**	**-**	**9**
Net property, plant and equipment	1,694	1,718	Bank loans and other borrowings (A)	9	1,751
Biological assets	32	30	Lease debt (D)	78	84
Equity affiliates	40	42	Employee benefit commitments	182	203
Other non-current assets	130	128	Deferred taxes	16	20
Deferred taxes	180	187	Provisions and other long-term liabilities	148	142
Total non-current assets	**2,147**	**2,180**	**Total non-current liabilities**	**433**	**2,200**
Inventories	720	664	Provisions	69	104
Trade and other receivables	539	468	Overdraft and other short-term borrowings (B)	3,597	1,853
Derivatives - assets	11	37	Lease debt (E)	25	24
Other current assets	209	203	Trade payables	456	426
Cash and cash equivalents (C)	1,242	1,390	Derivatives - liabilities	12	21
			Other current liabilities	291	241
Total current assets	**2,721**	**2,762**	**Total current liabilities**	**4,450**	**2,669**
Assets held for sale and discontinued operations	92	107	Liabilities held for sale and discontinued operations	39	37
Total assets	**4,960**	**5,049**	**Total equity and liabilities**	**4,960**	**5,049**

*** Net income (loss), Group share**	**(93)**	**(1,206)**
Net debt (A+B-C)	**2,364**	**2,214**
Lease debt (D+E)	**103**	**108**

Information
Quarterly financial statements are unaudited and not subject to any review.
Unless otherwise specified, indicated variations are expressed in comparison with the same period of the previous year.

Free cash flow

In € million	Q1 2021	Q1 2020	Change
Cash flow from operating activities (A)	13	(31)	+€44m
Change in operating WCR [+ decrease, (increase)] (B)	(47)	(119)	+€72m
Gross capital expenditure (C)	(28)	(31)	+€3m
Free cash flow (A)+(B)+(C)	**(62)**	**(181)**	**+€119m**

Cash flow statement

In € million	Q1 2021	Q1 2020
Cash flow from operating activities	13	(31)
Change in operating WCR [+ decrease, (increase)]	(47)	(119)
Net cash flow from operating activities	(34)	(150)
Gross capital expenditure	(28)	(31)
Asset disposals & other items	(89)	(55)
Change in net debt [+ decrease, (increase)]	(151)	(236)
Financial net debt (end of period)	**2,364**	**2,267**

Definitions of non-GAAP financial data

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.

Free cash flow: Free cash-flow (FCF) is defined as cash flow from operating activities minus gross capital expenditure and plus/minus change in operating working capital requirement.

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.

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: defined as the present value of unavoidable future lease payments

Net debt: consolidated net 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: 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.

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

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