

## Quarterly Highlights – Q1–Q3 2022

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<b>BOOKINGS</b>	<b>MEUR 431.1</b>
1-9/2021	MEUR 237.1
<b>SALES</b>	<b>MEUR 361.3</b>
1-9/2021	MEUR 208.3
<b>EBIT</b>	<b>MEUR 72.6</b>
1-9/2021	MEUR 16.1
<b>PROFIT AFTER TAX</b>	<b>MEUR 55.3</b>
1-9/2021	MEUR 8.9

# TO THE FUTURE.

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# HIGHLIGHTS

## Q1 – Q3 2022

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**SBO posts highest 9-month sales and earnings figures in the past ten years**

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**SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft** (SBO), which is listed on the ATX leading index of the Vienna Stock Exchange, recorded the best development in a decade in the first nine months of 2022. Bookings arrived at their all-time high of MEUR 431.1. SBO's sales in the first nine months of the year climbed to MEUR 361.3, up 73 % year-on-year. EBIT increased by 350 %, standing at MEUR 72.6, and profit after tax grew six-fold to MEUR 55.3. Net liquidity rose to MEUR 37.8, and gearing improved further to minus 8.5 %.

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Gerald Grohmann, CEO of SBO:

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*"High investment requirements in the exploration and production of oil and gas support demand for our products and services, which exceeded our expectations in the first three quarters of 2022. We are growing in all regions and product areas and see the best development in around a decade. Thus, we are heading for an extremely strong year."*

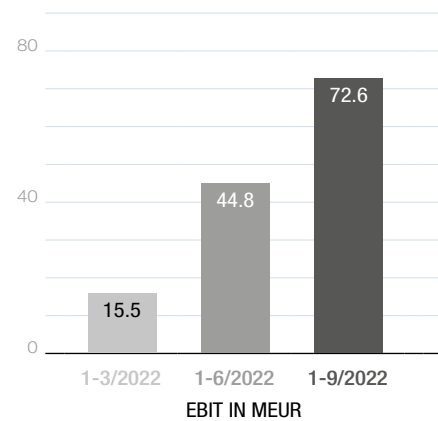
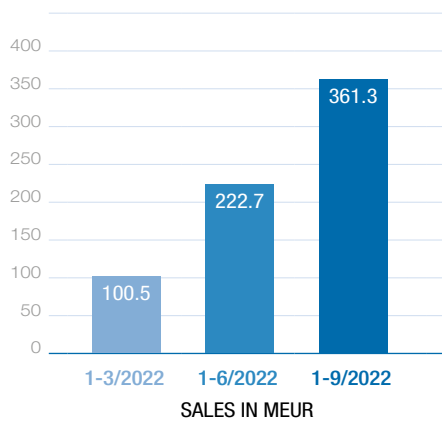
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In March 2022, SBO presented its **"Strategy 2030"** under which the company's core business aims to continue contributing to security of energy supply. At the same time, it provides for building a new segment in the fields of energy transition and green tech industries. Together with external partners, projects were launched to identify new and sustainable technologies with a defined focus on the market so as to develop a profitable new business segment by acquiring companies. At the same time, ESG criteria are firmly entrenched in the Group's strategy. SBO is continuously working on the structural improvement of its internal energy efficiency and reduction of CO<sub>2</sub> emissions. The company holds an ISS ESG rating and has for the first time reported comprehensively to the Carbon Disclosure Project (CDP) for the 2021 financial year.

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# BUSINESS DEVELOPMENT

## QUARTERLY DEVELOPMENT 1-9/2022



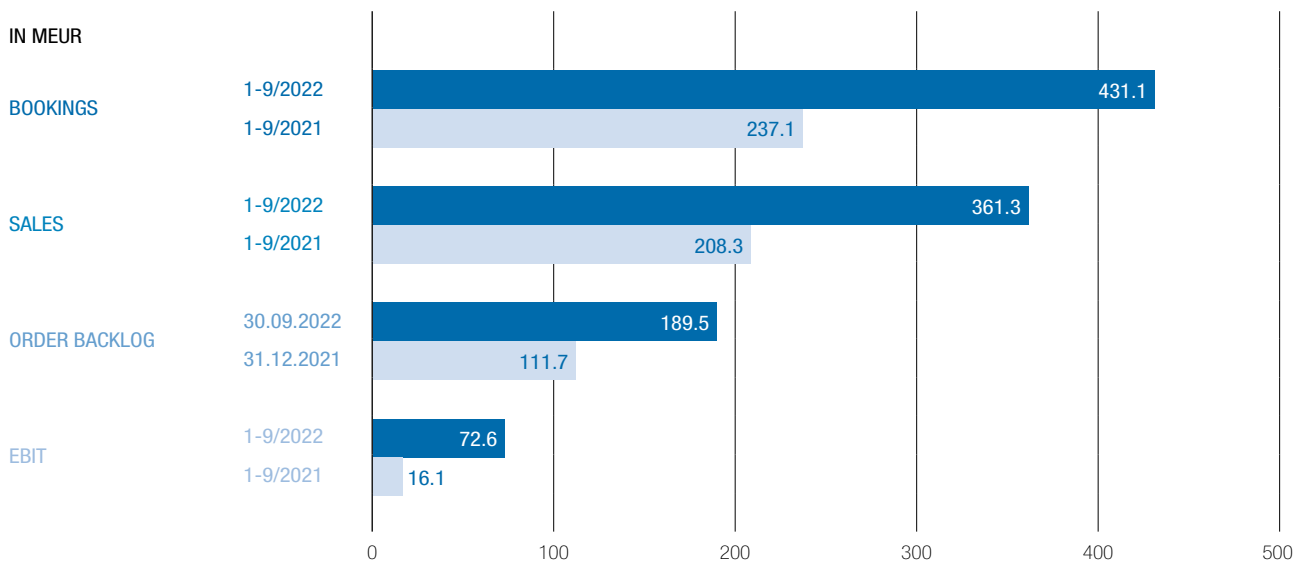
## SALES AND EARNINGS

Bookings at SBO picked up sharply in the first nine months of 2022, arriving at a record level of MEUR 431.1 (1-9/2021: MEUR 237.1, up by 82 %). Sales soared to MEUR 361.3 (1-9/2021: MEUR 208.3, up by 73 %). The order backlog at the end of September stood at MEUR 189.5 (31 December 2021: MEUR 111.7). Earnings before interest, taxes,

depreciation, and amortization (EBITDA) increased to MEUR 96.8 in 2022, following MEUR 40.1 in the first three quarters of 2021, and the EBITDA margin went up to 26.8 % (1-9/2021: 19.2 %). Profit from operations (EBIT) came to MEUR 72.6, more than quadrupling year-on-year (1-9/2021: MEUR 16.1).

Profit before and after tax developed even better: SBO generated a pre-tax result of MEUR 69.9 (1-9/2021: MEUR 12.7, up by 450 %), whereas profit after tax increased six-fold compared to the previous year to MEUR 55.3 (1-9/2021: MEUR 8.9, up by

523 %). Earnings per share also increased clearly to EUR 3.52 in the first three quarters of 2022 (1-9/2021: EUR 0.57). The strong US dollar compared to the euro had a supportive effect.



*"Energy security is a global concern and part of our strategy. As policymakers and energy markets failed to take the required decisions in the past, there is a strong need for action resulting in high demand for oil and gas. This means that our growth engine is running at full speed, and business is booming like it has not been for a long time. This is also reflected in our sequential quarterly development, as we have achieved continuous growth since summer 2020",* comments SBO's CEO Gerald Grohmann.



## SEGMENTS

SBO's business is divided into two segments, Advanced Manufacturing & Services (AMS) and Oilfield Equipment (OE). While sales generated by the AMS segment increased to MEUR 181.9 in the first nine months (1-9/2021: MEUR 102.8), profit from operations (EBIT)

quadrupled to MEUR 34.2 (1-9/2021: MEUR 8.5). Sales in the OE segment rose to MEUR 179.4 (1-9/2021: MEUR 105.5), and EBIT more than quintupled to MEUR 32.9 (1-9/2021: MEUR 6.3).

## KEY BALANCE SHEET FIGURES

In the first three quarters of 2022, SBO's equity increased significantly to MEUR 446.5 (31 December 2021: MEUR 340.9). SBO's equity ratio went up to 47.4 % (31 December 2021: 42.3 %). Net liquidity was at high MEUR 37.8 (31 December 2021: MEUR 9.9). Gearing further improved to minus 8.5 % (31 December 2021: minus 2.9 %). Liquid funds

also increased to MEUR 295.7 (31 December 2021: MEUR 291.8). Cashflow from operating activities arrived at MEUR 24.1 in the first three quarters (1-9/2021: MEUR 20.8). Capital expenditure in property, plant and equipment and intangible assets (CAPEX) came to MEUR 21.4 (1-9/2020: MEUR 13.8).

## SBO'S KEY PERFORMANCE INDICATORS AT A GLANCE

	UNIT	1-9/2022	1-9/2021
Sales	MEUR	361.3	208.3
Earnings before interest, taxes, depreciation and amortization (EBITDA)	MEUR	96.8	40.1
EBITDA margin	%	26.8	19.2
Earnings before interest and taxes (EBIT)	MEUR	72.6	16.1
EBIT margin	%	20.1	7.7
Profit before tax	MEUR	69.9	12.7
Profit after tax	MEUR	55.3	8.9
Earnings per share	EUR	3.52	0.57
Cashflow from operating activities	MEUR	24.1	20.8
Liquid funds as of 30 September 2022 / 31 December 2021	MEUR	295.7	291.8
Net liquidity as of 30 September 2022 / 31 December 2021	MEUR	37.8	9.9
Headcount as of 30 September 2022 / 31 December 2021		1,490	1,267

# MARKET ENVIRONMENT

The global economy faces a number of challenges: inflation is at a record high, Russia's invasion of Ukraine and the persistent COVID-19 pandemic are weighing on the outlook, according to the International Monetary Fund (IMF). Whether or not the global economy takes a positive development depends crucially on successful monetary and fiscal policies, the course the war in Ukraine will take, the pandemic situation and its effects on supply chains, for example in China. Taking these uncertainties into consideration, the IMF expects the global economy to grow by 3.2 % in 2022, following the substantial increase of 6.0 % in the previous year.<sup>1</sup>

Despite rising concern about slowing global growth rates and a potential recession, the environment for energy as a critical resource remains positive. After years of underinvestment, spending for oil and gas exploration and production picked up significantly, particularly in regions outside Russia.<sup>2</sup> Although demand for natural gas in 2022 is down slightly by 0.5 % or 20 billion cubic meters (bcm), this is mainly due to lacking supply security in Europe and associated alternative investing measures, which are reflected, for instance, in the rising demand for oil.<sup>3</sup>

Demand for crude oil rose to 100 million barrels per day (mb/d) in the third quarter of 2022 and is projected to come to 99.8 mb/d in full 2022, following 97.7 mb/d in 2021. Global oil production arrived at 101.0 mb/d. Non-OPEC production rose to 66.1 mb/d (2021: 63.8 mb/d).<sup>4</sup> The rig count in September 2022 totaled 1,853 rigs, an increase of 405 rigs, or 28.0 % year-on-year (September 2021: 1,448 rigs).<sup>5</sup>

Gas and oil prices rose sharply during the reporting period. The Henry Hub gas price started 2022 at USD 3.73/MMBtu (million British thermal units) and arrived at USD 6.77/MMBtu on the last trading day of the third quarter of the year. This means that the price of natural gas increased by 81.5 %.<sup>6</sup> European Brent crude oil started 2022 at USD 77.78 per barrel and stood at USD 87.96 on the last trading day of the third quarter, up by 14.3 %. In the same period, the price of WTI rose from USD 75.21 per barrel to USD 79.49, up by 5.7 %.<sup>7</sup>

<sup>1</sup> IMF, World Economic Outlook, October 2022.

<sup>2</sup> Evercore ISI Research, The 2022 Evercore ISI Global E&P Spending Outlook, July 2022.

<sup>3</sup> IEA Gas Market Report, Q3 2022.

<sup>4</sup> IEA Oil Market Report, October 2022.

<sup>5</sup> Baker Hughes Rig Count.

<sup>6</sup> Bloomberg, NG1 Natural Gas (Nymex).

<sup>7</sup> Bloomberg, CO1 Brent Crude (ICE) and CL1 WTI Crude (Nymex).

# OUTLOOK

The global economy continues to face major challenges, marked by strong influences such as the Russian invasion of Ukraine and a cost-of-living crisis caused by persistent inflationary pressures. The IMF's latest forecasts expect global economic growth to come to 2.7 % in 2023, down from 3.2 % in 2022.<sup>8</sup> Despite slowing global economic growth and fears of recession, energy fundamentals remain strong. The growing need for energy security should lead to a much-needed increase in spending. This is the only way to restore global spare capacity, which is currently very limited, to a level that will allow for sustainable economic growth.

In October 2022, the OPEC+ alliance announced to cut official production targets by 2 mb/d to support oil prices and contribute to greater price stability. While the reduction in OPEC+ supply will be smaller than announced because the majority of the alliance's members are already producing well below the agreed

upon quota due to capacity constraints, the decision is seen as a signal to markets to maintain spending sentiment and warrant the price stability that is important for increased exploration and production (E&P) expenditure. Global E&P spending is expected to increase by a total of 22 % in 2022, by 33 % in North America and 18 % internationally. Spending is also expected to grow by a double-digit percentage rate in 2023.<sup>9</sup>

As a result, the industry is looking to another year of growth in 2023. Increased investment in the exploration and production of new oil and gas fields, international efforts to ensure energy independence from Russia, low OPEC reserve capacity, low oil inventories, rising demand and SBO's high order backlog, which currently stands at MEUR 189.5, confirm a positive outlook for the year 2023.

<sup>8</sup> IMF, World Economic Outlook, October 2022.

<sup>9</sup> Evercore ISI Research, The 2022 Evercore ISI Global E&P Spending Outlook, July 2022.



*"Despite concerns about the development of the global economy, the energy markets are indicating a multi-year upswing. In the current year, we managed to grow dynamically with the market and expect to see a continuation in 2023. Our order books are full, and in some areas orders extend into the third quarter of 2023. We expect spending in exploration and production to increase further, giving us tailwind into the next year",*

says SBO's CEO Gerald Grohmann.



# ABOUT SBO

## SBO AT A GLANCE

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SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) is the global market leader in the manufacture of high-alloy, non-magnetic stainless steels and high-precision manufacture of stainless steels into special components for the oil, gas and other industries by applying innovative traditional and additive technologies such as Direct Metal Laser Sintering (DMLS), a 3D metal printing technology. The SBO Group is equally recognized worldwide for its high-efficiency drilling tools and equipment for the oil and gas industry. Strong intellectual property protection offers significant competitive advantages. Product and process innovations, including the Direct Metal Laser Sintering (DMLS) 3D printing technology, support the leading position of SBO in the oil and gas industry and other sectors.

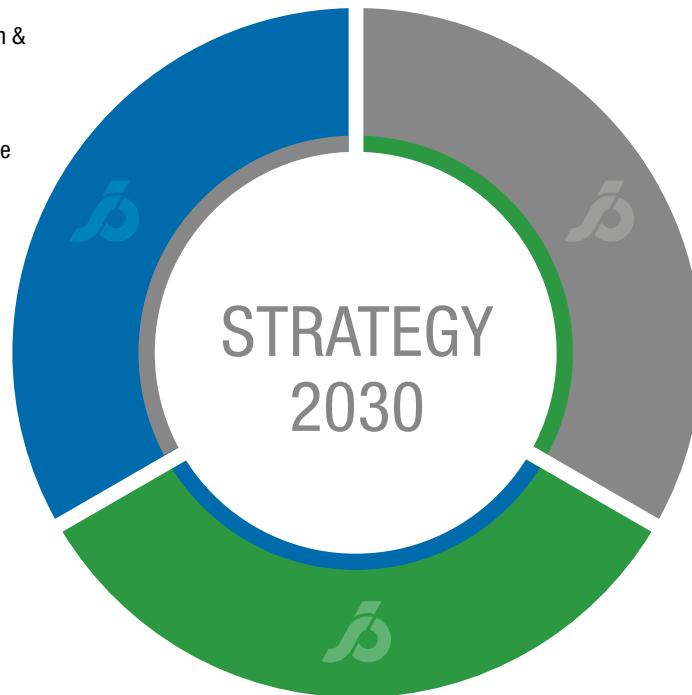
The Group employs a workforce of about 1,500 worldwide and is successfully positioned in technologically demanding, profitable niches. Making an active contribution to energy transition is a key element of the Group's Strategy 2030. With its high-quality products and technologies, the SBO Group already today provides for an increasingly efficient and environmentally friendly supply of energy. While oil and gas remain the most important energy sources, the company's new strategy is a response to changing environmental and climate targets. More detailed information on the Strategy 2030 and sustainable management (ESG) is available in the Annual Report 2021 at <https://www.sbo.at/publikationen>.

### MAINTAINING OUR CORE BUSINESS

- defend our market-leading positions
- continue to invest in research & development and in bolt-on acquisitions
- generate high cashflows as well as liquidity and maximize value (value strategy)

### BUILDING A NEW BUSINESS SEGMENT

- further expand existing diversification initiatives in areas such as aerospace, geothermal and in other industrial sectors
- make strategic investments or acquisitions, preferably in the fields of energy transition and green tech industries, thus opening a new business segment that will account for 50 % of Group revenue in the long term



### ENSURING SUSTAINABILITY

- further reduce the already low total amount of greenhouse gas emissions (CO<sub>2</sub>)
- expand in ESG-compliant business areas
- invest in our employees
- encourage diversity in the teams

**ENERGY** IS AND REMAINS OUR BUSINESS

# THE SBO SHARE

The share of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft is listed in the Prime Market of the Vienna Stock Exchange and is part of the ATX, the leading Austrian index. In total, 16,000,000 par value shares with a nominal value of EUR 1.00 each have been issued. The SBO share started the trading year at a price of EUR 30.95 and closed at

EUR 44.90 on 30 September 2022, increasing by 45.1 % in that period. Therefore, the share was clearly leading the blue-chip ATX index over largest parts. Market capitalization as of 30 September 2022 was MEUR 718.4, with around 67 % of the shares in free float at that date.

EUR **30.95**  
3 January 2022

EUR **44.90**  
30 September 2022

MEUR **718.4**  
Market capitalization – 30 September 2022

## FINANCIAL CALENDAR 2023

DATE	EVENT
18.01.2023	Preliminary result 2022
16.03.2023	Result for the year 2022
17.04.2023	Record date "Annual General Meeting"
27.04.2023	Annual General Meeting 10 a.m. CET
23.05.2023	Ex-Dividend-Day
24.05.2023	1st quarter 2023
24.05.2023	Record Date "Dividends"
25.05.2023	Dividend payment date
24.08.2023	Half-year 2023
23.11.2023	3rd quarter 2023

# CONSOLIDATED PROFIT AND LOSS STATEMENT

IN TEUR	9 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
<b>Sales</b>	<b>361,250</b>	<b>208,291</b>	<b>138,538</b>	<b>78,776</b>
Cost of goods sold	-249,598	-157,562	-95,819	-58,859
<b>Gross profit</b>	<b>111,652</b>	<b>50,729</b>	<b>42,719</b>	<b>19,917</b>
Selling expenses	-22,696	-15,320	-8,935	-5,387
General and administrative expenses	-29,022	-20,707	-9,975	-7,323
Other operating expenses	-11,966	-7,343	-6,547	-2,355
Other operating income	24,630	8,763	10,503	2,395
<b>Profit from operations</b>	<b>72,598</b>	<b>16,122</b>	<b>27,765</b>	<b>7,247</b>
Interest income	1,319	315	858	108
Interest expenses	-3,999	-3,894	-1,398	-1,291
Other financial income	0	111	0	0
<b>Financial result</b>	<b>-2,680</b>	<b>-3,468</b>	<b>-540</b>	<b>-1,183</b>
<b>Profit before tax</b>	<b>69,918</b>	<b>12,654</b>	<b>27,225</b>	<b>6,064</b>
Income taxes	-14,570	-3,767	-6,261	-1,360
<b>Profit after tax</b>	<b>55,348</b>	<b>8,887</b>	<b>20,964</b>	<b>4,704</b>
Average number of shares outstanding	<b>15,729,465</b>	<b>15,727,553</b>	<b>15,729,465</b>	<b>15,729,465</b>
<b>EARNINGS PER SHARE IN EUR (BASIC = DILUTED)</b>	<b>3.52</b>	<b>0.57</b>	<b>1.33</b>	<b>0.30</b>

# CONSOLIDATED BALANCE SHEET

## ASSETS

IN TEUR

30.09.2022

31.12.2021

### Current assets

Cash and cash equivalents	295,747	291,754
Trade receivables	141,727	86,300
Other receivables and other assets	9,295	10,965
Inventories	165,987	121,093
<b>Total current assets</b>	<b>612,756</b>	<b>510,112</b>

### Non-current assets

Property, plant and equipment	134,691	120,921
Goodwill	146,613	127,036
Other intangible assets	10,882	11,638
Long-term receivables and assets	3,594	3,655
Deferred tax assets	33,413	32,246
<b>Total non-current assets</b>	<b>329,193</b>	<b>295,496</b>

### TOTAL ASSETS

941,949

805,608

**LIABILITIES AND EQUITY**

IN TEUR

	30.09.2022	31.12.2021
<b>Current liabilities</b>		
Liabilities to banks	30,795	37,321
Current portion of long-term loans	58,177	21,987
Lease liabilities	2,383	2,047
Trade payables	31,250	18,009
Government grants	89	89
Income tax payable	11,721	5,198
Other liabilities	167,657	131,290
Other provisions	3,783	7,757
<b>Total current liabilities</b>	<b>305,855</b>	<b>223,698</b>
<b>Non-current liabilities</b>		
Long-term loans	168,963	222,529
Lease liabilities	6,539	4,640
Provisions for employee benefits	6,910	6,858
Other liabilities	7,155	7,004
<b>Total non-current liabilities</b>	<b>189,567</b>	<b>241,031</b>
<b>Equity</b>		
Share capital	15,729	15,729
Capital reserve	63,122	63,122
Legal reserve	785	785
Other reserves	19	19
Currency translation reserve	90,664	28,566
Retained earnings	276,208	232,658
<b>Total equity</b>	<b>446,527</b>	<b>340,879</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>941,949</b>	<b>805,608</b>

# CONSOLIDATED CASHFLOW STATEMENT

IN TEUR	9 MONTHS PERIOD ENDED	
	30.09.2022	30.09.2021
<b>OPERATING ACTIVITIES</b>		
Profit after tax	55,348	8,887
Depreciation, amortization and impairments	24,250	23,931
Other non-cash expenses and revenues	-17,349	-6,326
<b>Cashflow from profit</b>	<b>62,249</b>	<b>26,492</b>
Change in working capital	-38,137	-5,723
<b>Cashflow from operating activities</b>	<b>24,112</b>	<b>20,769</b>
<b>INVESTING ACTIVITIES</b>		
Expenditures for property, plant and equipment and intangible assets	-21,371	-13,836
Expenditures for the acquisition of non-controlling interests	0	-20,891
Other activities	3,491	549
<b>Cashflow from investing activities</b>	<b>-17,880</b>	<b>-34,178</b>
<b>FREE CASHFLOW</b>	<b>6,232</b>	<b>-13,409</b>
<b>FINANCING ACTIVITIES</b>		
Dividend payment	-11,797	0
Change in financial liabilities	-26,836	-18,187
<b>Cashflow from financing activities</b>	<b>-38,633</b>	<b>-18,187</b>
<b>Change in cash and cash equivalents</b>	<b>-32,401</b>	<b>-31,596</b>
Cash and cash equivalents at the beginning of the period	291,754	313,950
Effects of exchange rate changes on cash and cash equivalents	36,394	13,776
<b>Cash and cash equivalents at the end of the period</b>	<b>295,747</b>	<b>296,130</b>



# SEGMENT REPORTING

## 1-9/2022

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	181,844	179,406	0	361,250
Intercompany sales	65,795	19,726	-85,521	0
<b>Total sales</b>	<b>247,639</b>	<b>199,132</b>	<b>-85,521</b>	<b>361,250</b>
Profit from operations (EBIT)	34,154	32,915	5,529	72,598
<b>Profit before tax</b>	<b>34,864</b>	<b>32,686</b>	<b>2,368</b>	<b>69,918</b>

## 1-9/2021

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	102,817	105,474	0	208,291
Intercompany sales	37,378	15,054	-52,432	0
<b>Total sales</b>	<b>140,195</b>	<b>120,528</b>	<b>-52,432</b>	<b>208,291</b>
Profit from operations (EBIT)	8,538	6,292	1,292	16,122
<b>Profit/loss before tax</b>	<b>9,327</b>	<b>5,736</b>	<b>-2,409</b>	<b>12,654</b>

## CONTACT AND LEGAL NOTICE

Further information about SBO is available on <https://www.sbo.at>. If you have any questions regarding the company or would like to be included in SBO's Investor Relations Information Service (IRIS), please send an e-mail to [investor\\_relations@sbo.co.at](mailto:investor_relations@sbo.co.at)

## DISCLAIMER

Note on the quarterly report:

This quarterly financial report is also available in the German language. In the event of discrepancies, the German version shall prevail.

## FORWARD-LOOKING STATEMENTS AND FORECASTS:

This corporate publication contains information with forward-looking statements. Parts of those statements contain forecasts regarding the future development of SBO, SBO group companies, relevant industries and the markets. All these statements as well as any other information contained in this corporate publication are for information only and do not substitute professional financial advice. As such, this information must not be understood as a recommendation or offer to buy or sell SBO shares, and SBO cannot be held liable therefrom.

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