

QUARTERLY HIGHLIGHTS – Q1 – Q3 2023



SALES	MEUR 437.2
1-9/2022	MEUR 361.3
EBIT	MEUR 82.0
1-9/2022	MEUR 72.6
PROFIT BEFORE TAX	MEUR 74.1
1-9/2022	MEUR 69.9
OPERATING CASHFLOW	MEUR 61.2
1-9/2022	MEUR 24.1

ENERGY. SECURITY.

HIGHLIGHTS

Q1 – Q3 2023

SBO with strong sales and earnings growth

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO), listed in the leading index ATX of the Vienna Stock Exchange, achieved strong 9-month results for 2023. Despite a continued softening of the US market in Q3, overall market conditions remained favorable. Sales increased by 21 % year-on-year to MEUR 437.2, and the operating result (EBIT) improved by 13 % to MEUR 82.0. Adjusted for foreign exchange losses, EBIT increased by 53 % to MEUR 86.3 and the adjusted EBIT margin reached 19.7 %. Profit before tax came in at MEUR 74.1 and included a MEUR 8.5 charge related to a legal settlement. Operating cashflow was strong at MEUR 61.2. Free cashflow included an escrow payment of MUSD 20.4 for the acquisition of Praxis Completion Technology.

SBO completed the acquisition of Praxis Completion Technology on 9 October 2023. The final price for the purchase of 100 % of the shares in the company amounted to MUSD 27.4, including a total of MUSD 5.4 in compensation for working capital adjustments and earnings generated from 1 January 2023 until the closing date. The majority portion (MUSD 20.4) of the agreed cash payment at closing (MUSD 23.0) was transferred to an escrow account in September, the remaining MUSD 2.6 have been paid in Q4 2023. The final portion of the purchase price (MUSD 4.4) will be paid in 2025, two years after closing the acquisition.

"We have continued to deliver encouraging sales and earnings growth this year, thanks to our global position and a thriving international business. With the acquisition of Praxis, we are further strengthening our leading position and increasing our footprint in the Middle East, a market of critical importance to our business going forward. In addition, Praxis is already recording initial successes in the promising area of carbon capture and storage. This represents a strategically important step for SBO in the direction of climate protection technologies",

says SBO CEO Gerald Grohmann.

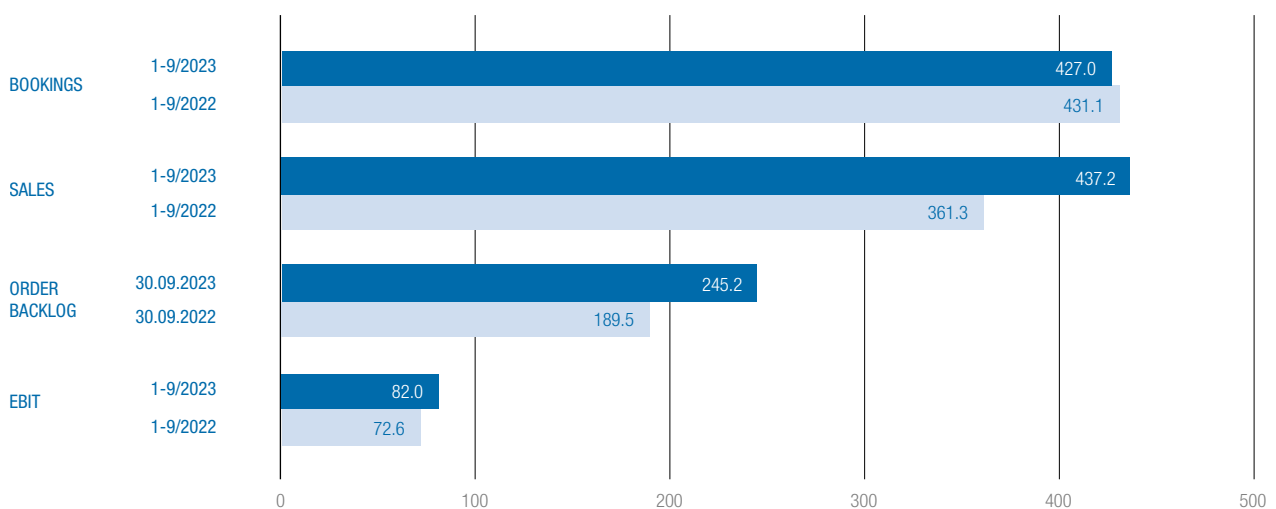
BUSINESS DEVELOPMENT

SALES AND EARNINGS

Following an excellent year 2022, SBO continued its growth course in the first nine months of 2023. At MEUR 427.0, bookings were on a similar level to the very strong prior-year period (1-9/2022: MEUR 431.1). Sales increased by a substantial 21.0 % to MEUR 437.2 (1-9/2022: MEUR 361.3), primarily driven by continued high growth of the international business, while the US business was affected by a market softening. Nevertheless, the Group's order backlog of MEUR 245.2 remains strong at the end of September (30 September 2022: MEUR 189.5) and provides significant visibility well into 2024.

Earnings before interest, taxes, depreciation and amortization (EBITDA) rose to MEUR 103.0 (1-9/2022: MEUR 96.8) in the first nine months of 2023, the EBITDA margin reached 23.6 % (1-9/2022: 26.8 %). EBITDA, adjusted for exchange losses of MEUR 4.4, improved to MEUR 107.4 this year, compared to adjusted EBITDA of MEUR 80.6 in the same period last year (adjusted for exchange gains of MEUR 16.3). Adjusted EBITDA margin improved from 22.3 % in the first nine months of 2022 to 24.6 % this year.

IN MEUR



Profit from operations (EBIT) grew by 12.9 % to MEUR 82.0 (1-9/2022: MEUR 72.6) or 18.7 % of sales (EBIT margin 1-9/2022: 20.1 %). EBIT adjusted for exchange losses of MEUR 4.4 (1-9/2022: exchange gains of MEUR 16.3) came to MEUR 86.3 (1-9/2022: MEUR 56.3), resulting in a strongly improved adjusted EBIT margin of 19.7 % (1-9/2022: 15.6 %).

SBO's profit before tax increased by 6.0 % to MEUR 74.1 (1-9/2022: MEUR 69.9) and included a one-off charge of MEUR 8.5 for interest and other expenses related to a legal settlement. Profit after tax came in at MEUR 55.8 (1-9/2022: MEUR 55.3). Earnings per share in the first nine months of 2023 stood at EUR 3.54 (1-9/2022: EUR 3.52).

SEGMENTS

The SBO Group's business is divided into two segments: Advanced Manufacturing & Services (AMS) and Oilfield Equipment (OE). The AMS segment showed an outstanding development during the year - with a record performance in Q3 - and grew sales by 37.6 % to MEUR 250.2, (1-9/2022: MEUR 181.8). With an increase of 68.2 %, EBIT improved even more

profoundly to MEUR 57.5 (1-9/2022: MEUR 34.2). In the OE segment, three-quarter sales of MEUR 187.0 were higher than in the previous year (1-9/2022: MEUR 179.4), but declined in Q3, due to the slowdown of the US market and longer through-put times in project sales. EBIT reached MEUR 26.8 (1-9/2022: MEUR 32.9).

"Overall, we have delivered excellent results in the past nine months. The international business continues to thrive, which is clearly reflected in the outstanding performance of our AMS segment. The OE segment has faced some headwinds in a slower US market, but we are confident in a rebound in the coming months. If the positive development continues, we plan to pay a dividend for 2023 at the level of the previous financial year", says CEO Grohmann.



KEY BALANCE SHEET FIGURES AND CASHFLOW

Cashflow from operating activities significantly improved to MEUR 61.2 in the first nine months of 2023 (1-9/2022: MEUR 24.1). Free cashflow came in at MEUR 17.2, (1-9/2022: MEUR 6.2), despite the payment of MEUR 18.8 for the acquisition of Praxis Completion Technology. Capital expenditures on property, plant and equipment and intangible assets (excluding right of use assets) amounted to MEUR 27.0 (1-9/2022: MEUR 21.4).

In the first nine months of 2023, SBO's equity increased to MEUR 453.4 (31 December 2022: MEUR 425.0).

The equity ratio improved slightly to 47.3 % (31 December 2022: 47.1 %). Net liquidity remained high at MEUR 18.7 (31 December 2022: MEUR 34.5) despite the dividend payment of MEUR 31.5 in Q2 2023 (dividend Q2 2022: MEUR 11.8) and the payment for the Praxis acquisition of MEUR 18.8 in Q3. Gearing stood at minus 4.1 % (31 December 2022: minus 8.1 %). Liquid funds amounted to MEUR 268.6 (31 December 2022: MEUR 287.8), of which MUS\$ 128.7 have been reserved to pay for the agreed legal settlement in Q4.

SBO'S KEY PERFORMANCE INDICATORS AT A GLANCE

	UNIT	1-9/2023	1-9/2022
Sales	MEUR	437.2	361.3
Adj. EBITDA (Earnings before interest, taxes, depreciation, and amortization adjusted for exchange gains and losses)	MEUR	107.4	80.6
Adj. EBITDA margin	%	24.6	22.3
EBITDA (Earnings before interest, taxes, depreciation, and amortization)	MEUR	103.0	96.8
EBITDA margin	%	23.6	26.8
Adj. EBIT (Earnings before interest and taxes adjusted for exchange gains and losses)	MEUR	86.3	56.3
Adj. EBIT margin	%	19.7	15.6
EBIT (Earnings before interest and taxes)	MEUR	82.0	72.6
EBIT margin	%	18.7	20.1
Profit before tax	MEUR	74.1	69.9
Profit after tax	MEUR	55.8	55.3
Earnings per share	EUR	3.54	3.52
Cashflow from operating activities	MEUR	61.2	24.1
Free Cashflow	MEUR	17.2	6.2
Liquid funds as of 30 September 2023 / 31 December 2022	MEUR	268.6	287.8
Net liquidity as of 30 September 2023 / 31 December 2022	MEUR	18.7	34.5
Headcount as of 30 September 2023 / 31 December 2022		1,568	1,484

MARKET ENVIRONMENT

Amid the ongoing uncertainties surrounding the global economy, the market for the oilfield service industry remains robust. This resilience can be attributed to the heightened focus on energy security, an increased demand for oil and gas resources, and years of insufficient investment in resource exploration. Investments in long-term exploration initiatives such as international offshore projects are on the rise, laying a solid foundation for future industry activity, while the US market is still constrained by spending discipline and a low gas price development.

Global oil demand is forecast to continue its strong growth trajectory for the rest of the year contributing to an annual rise of 2.4 million barrels per day (mb/d), reaching a total of 102.0 mb/d for the year 2023. This growth is most pronounced and firmly established in key regions such as China, India and Brazil and largely driven by added demand of jet fuels and petrochemical feedstocks. Global oil production is expected to reach 101.8 mb/d for the full year of 2023, taking OPEC+ production cuts into account. For 2024, market demand is expected to rise further, reaching 102.9 mb/d for the full year¹.

Natural gas demand increased in North America and rapidly growing Asian markets in Q2-Q3 but declined in Europe. Booming Asia Pacific markets and gas-rich areas in Africa and the Middle East will drive higher gas demand going forward, with China leading the

global increase. Robust LNG supply - thanks to LNG liquefaction capacity additions in 2025-2026 - is set to alleviate market pressures and unlock price sensitive demand in emerging markets in Asia. Global LNG supply is projected to grow by 25 % between 2022 and 2026. LNG export projects will be a key driver of upstream developments during this period, as supply requirements for LNG feedgas account for approximately 55 % of the net increase in global gas output.²

The overall rig count development in 2023 saw a decrease of 93 rigs or 5 % year-on-year with active 1,760 rigs in September 2023 (September 2022: 1,853 rigs). This decline was almost entirely driven by a year-over-year reduction of 131 rigs in the USA to 632 rigs at the end of Q3 (September 2022: 763), while the international rig count increased by 61 rigs or 7 % to 940 rigs (September 2022: 897 rigs).³

In the course of 2023, while gas prices declined, oil prices increased. The Henry Hub gas price started 2023 at USD 4.5/MMBtu (million British thermal units) and arrived at USD 2.9/MMBtu on the last trading day of the third quarter, declining by 35.6 %.⁴ European Brent crude oil started the year at USD 85.9/barrel and ended the quarter at USD 95.3/barrel (up 11.0 %). In the same period, the WTI price recorded an increase from USD 80.3/barrel to USD 90.8/barrel (up 13.1 %).⁵

¹ International Energy Agency (IEA), Oil Market Report, November 2023.

² International Energy Agency (IEA), Medium-Term Gas Report 2023. Including the Gas Market Report, Q4-2023, October 2023.

³ Baker Hughes Rig Count.

⁴ Bloomberg, NG1 Natural Gas (Nymex).

⁵ Bloomberg, CO1 Brent Crude (ICE) and CL1 WTI Crude (Nymex).

The global energy landscape is experiencing a significant transformation as the global community strives to address climate change and improve energy reliability by shifting towards cleaner, more sustainable energy options. Within this context, low-emission hydrogen has emerged as a vital means to reduce carbon emissions and enjoys substantial growth potential in sectors where emission reduction is challenging. Consequently, governments have integrated low-emission hydrogen as a crucial component of their strategies to attain net zero emissions. Moreover, certain economies such as Europe, Australia and Latin America have recently embraced new industrial

approaches, prominently featuring low-emission hydrogen technologies.⁶

Amid this global shift towards sustainable energy sources, geothermal energy is another promising path to reduce carbon emissions and enhance energy reliability. In 2022, geothermal energy comprised approximately 17.4 Gigawatt-electric (GWe) of installed capacity, supplied by nearly 6,800 wells. Until 2030, a compound annual growth rate (CAGR) of 12 % is expected for geothermal power, with industry expenditures projected to exceed USD 76 in the 2022-2030 period.⁷

OUTLOOK

According to the International Monetary Fund (IMF), the global economy is projected to grow by 3.0 % in 2023, with developed industrialized countries expected to experience a growth rate of 1.5 %, and emerging markets anticipated to grow by 4.0 %. In 2024, the global economy is expected to see growth of 2.9 %.⁸

The oilfield service industry is currently benefiting from a prolonged growth phase that has shifted its focus towards international and offshore markets. Investments in upstream activities are gaining momentum as operators commit resources to long-term projects,

expand production capacity, conduct exploration, and increase gas production.

Looking ahead, international activity is expected to pick up next year, led by projected oil supply increases in the US, Brazil, Guyana and Canada⁹. Towards 2024 and beyond, the continued commitment of leading oil-producing countries, the rate of oil demand growth amid economic uncertainties, and the presence of geopolitical risks will be important factors to monitor. Despite these considerations SBO remains optimistic about the oil and gas sector and is confident that

⁶ International Energy Agency, Global Hydrogen Review 2023, September 2023.

⁷ Rystad Energy, Energy Transition Report. Geothermal Market Outlook, May 2023.

⁸ International Monetary Fund (IMF), World Economic Outlook, October 2023.

⁹ International Energy Agency (IEA), Oil Market Report, November 2023.

the underlying fundamentals will support a sustained, multi-year increase in global upstream investment.

At the same time, SBO is driving initiatives aimed at growing its New Energy segment as part of

Strategy 2030, to drive the development of future energy solutions. In line with this vision, SBO is actively pursuing potential acquisition targets and strategic investments, with a specific focus on hydrogen and hydrogen derivatives.

"We are having an outstanding year and are confident about the future thanks to solid market fundamentals and our strong business performance. Looking ahead, although we remain vigilant about geopolitical developments, we believe this cycle will outlast previous ones in its strength and duration. Our backlog remains high and provides strong visibility for 2024. In executing on our Strategy 2030, we are narrowing down our search for acquisition targets to expand our business beyond oil and gas", says CEO Grohmann.



ABOUT SBO

SBO AT A GLANCE

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) is a globally operating group of companies and world market leader in the manufacture of high-alloy, non-magnetic steels. The SBO Group is engaged in high-precision production of special components for the oil, gas and other industries by applying innovative and additive manufacturing technologies. The SBO Group is equally recognized worldwide for its directional drilling tools and equipment for well completion in the oil,

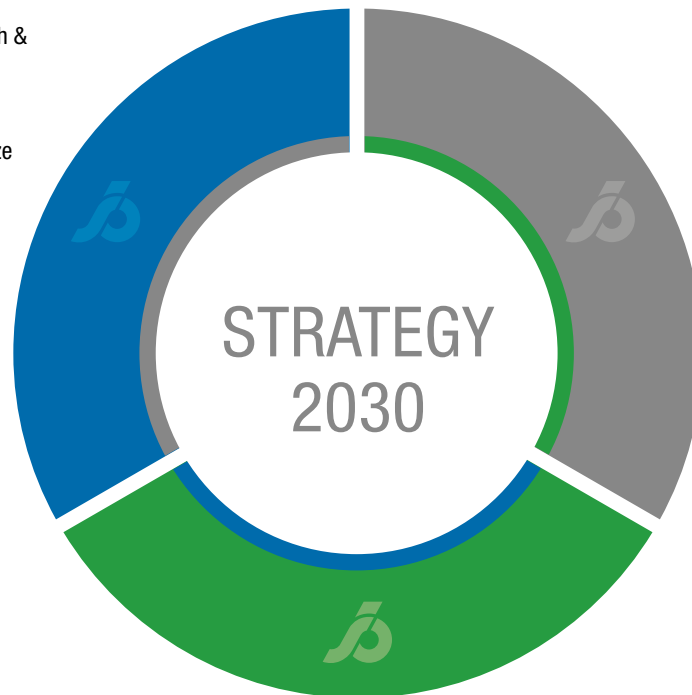
gas, and geothermal industry. With its subsidiaries and more than 1,500 employees worldwide, the Group is successfully positioned in technologically demanding, profitable niches. The Group is headquartered in Ternitz, Austria. Making an active contribution to energy transition is a key element of the Group's Strategy 2030. More detailed information on the Strategy 2030 and sustainable management (ESG) is available in the Annual Report 2022 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 building 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 (CO₂)
- expand in ESG-compliant business areas
- invest in our employees
- encourage diversity in the teams

ENERGY IS OUR BUSINESS

THE SBO SHARE

The share of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft has been listed in the Prime Market of the Vienna Stock Exchange for 20 years 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 share started into the

trading year at a price of EUR 58.20 and closed at EUR 55.80 on 29 September 2023, decreasing slightly by 4.1 % in that period. Market capitalization as of 29 September 2023 was MEUR 892.8 and approximately 67 % of the shares were in free float at that date.

EUR **58.20**
30 December 2022

EUR **55.80**
29 September 2023

MEUR **892.8**
Market capitalization

FINANCIAL CALENDAR 2024

DATE	EVENT
17.01.2024	Preliminary results 2023
20.03.2024	Results for the year 2023
15.04.2024	Record date Annual General Meeting
25.04.2024	Annual General Meeting, 10:00 am
02.05.2024	Ex-dividend date
03.05.2024	Dividend record date
08.05.2024	Dividend payment date
23.05.2024	Q1 2024
22.08.2024	Half-year results 2024
21.11.2024	Q3 2024

CONSOLIDATED PROFIT AND LOSS STATEMENT

IN TEUR	9 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Sales	437,238	361,250	142,559	138,538
Cost of goods sold	-284,946	-249,598	-95,336	-95,819
Gross profit	152,292	111,652	47,223	42,719
Selling expenses	-27,010	-22,696	-9,269	-8,935
General and administrative expenses	-33,617	-29,022	-10,612	-9,975
Other operating expenses	-16,664	-11,966	-3,614	-6,547
Other operating income	6,962	24,630	2,865	10,503
Profit from operations	81,963	72,598	26,593	27,765
Interest income	6,494	1,319	2,289	858
Interest expenses	-5,829	-3,999	-2,289	-1,398
Gains / losses from remeasurement of option liabilities	-8,548	0	-8,548	0
Financial result	-7,883	-2,680	-8,548	-540
Profit before tax	74,080	69,918	18,045	27,225
Income taxes	-18,327	-14,570	-5,380	-6,261
Profit after tax	55,753	55,348	12,665	20,964
Average number of shares outstanding	15,729,465	15,729,465	15,729,465	15,729,465
EARNINGS PER SHARE IN EUR (BASIC = DILUTED)	3.54	3.52	0.81	1.33

CONSOLIDATED BALANCE SHEET

ASSETS

IN TEUR

	30.09.2023	31.12.2022
Current assets		
Cash and cash equivalents	268,644	287,764
Trade receivables	131,234	124,514
Other receivables and other assets	30,279	11,642
Inventories	213,801	175,873
Total current assets	643,958	599,793
Non-current assets		
Property, plant and equipment	132,583	123,801
Goodwill	135,385	134,509
Other intangible assets	11,451	11,990
Long-term receivables and assets	3,628	3,175
Deferred tax assets	31,025	29,829
Total non-current assets	314,072	303,304
TOTAL ASSETS	958,030	903,097

LIABILITIES AND EQUITY

IN TEUR

	30.09.2023	31.12.2022
Current liabilities		
Liabilities to banks	38,491	30,765
Current portion of long-term loans	45,624	58,552
Lease liabilities	3,003	2,530
Trade payables	40,334	33,075
Income tax payable	20,590	11,027
Other liabilities	164,975	153,772
Other provisions	3,786	3,832
Total current liabilities	316,803	293,553
Non-current liabilities		
Long-term loans	165,838	163,977
Lease liabilities	7,009	6,825
Provisions for employee benefits	7,028	6,616
Other liabilities	7,780	6,980
Deferred tax liabilities	131	130
Total non-current liabilities	187,786	184,528
Equity		
Share capital	15,729	15,729
Capital reserve	61,956	61,956
Legal reserve	785	785
Other reserves	19	19
Currency translation reserve	53,332	49,201
Retained earnings	321,620	297,326
Total equity	453,441	425,016
TOTAL LIABILITIES AND EQUITY	958,030	903,097

CONSOLIDATED CASHFLOW STATEMENT

IN TEUR	9 MONTHS PERIOD ENDED	
	30.09.2023	30.09.2022
OPERATING ACTIVITIES		
Profit after tax	55,753	55,348
Depreciation, amortization and impairments	21,010	24,250
Other non-cash expenses and revenues	-948	-17,349
Cashflow from profit	75,815	62,249
Change in working capital	-14,631	-38,137
Cashflow from operating activities	61,184	24,112
INVESTING ACTIVITIES		
Expenditures for property, plant and equipment and intangible assets	-27,027	-21,371
Expenditures for the acquisition of subsidiaries	-18,806	0
Other activities	1,864	3,491
Cashflow from investing activities	-43,969	-17,880
Free Cashflow	17,215	6,232
FINANCING ACTIVITIES		
Dividend payment	-31,459	-11,797
Change in financial liabilities	-6,260	-26,836
Cashflow from financing activities	-37,719	-38,633
Change in cash and cash equivalents	-20,504	-32,401
Cash and cash equivalents at the beginning of the period	287,764	291,754
Effects of exchange rate changes on cash and cash equivalents	1,384	36,394
Cash and cash equivalents at the end of the period	268,644	295,747

SEGMENT REPORTING

1-9/2023

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	250,227	187,011	0	437,238
Intercompany sales	103,182	28,330	-131,512	0
Total sales	353,409	215,341	-131,512	437,238
Profit from operations (EBIT)	57,461	26,751	-2,249	81,963
Profit / loss before tax	59,141	28,773	-13,834	74,080

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
Total sales	247,639	199,132	-85,521	361,250
Profit from operations (EBIT)	34,154	32,915	5,529	72,598
Profit / loss before tax	34,864	32,686	2,368	69,918

CONTACT AND LEGAL NOTICE

Further information about SBO is available on 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.

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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