

# CONFERENCE CALL

## Q3 2024

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21 November 2024



# ABOUT THE CONFERENCE CALL

This video call will be recorded and made public on the company's website as information to the capital market.

The presentation will be listen-only, followed by an interactive Q&A session.

We invite you to ask any questions you might have after the presentation by raising your hand in MS Teams and the moderator will invite you to open your mic so that you can join the conversation.

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# Business & Financial Highlights

## Q1-Q3 2024

# SBO with solid results and higher cash flow in a challenging market environment

## Business and Financial Highlights



**Sales remained high at MEUR 425.6 close to record level of 2023**, due to 9% growth in OE (Q3 rebound) while sales moderated in AMS (-11%).

**Bookings of MEUR 124.2 in Q3 (-4% q-o-q).**



**Group EBIT of MEUR 51.8 well below last year:** OE with strongly improved EBIT in Q3, after shortfall in H1. AMS – after strong H1 performance – affected by demand moderation and MEUR 2.7 net FX losses in Q3.



**Free CF of MEUR 42.5** improved as a result of lower working capital

**Cash** increased to **MEUR 263.2** due to additional funds raised; **net debt** and **gearing** further reduced; **equity ratio** at 48.3%



**Regional expansion** continues with double-digit growth in ME and LATAM

**SBO wins ESG-Award**

**Strategy recalibration and rebranding:** update planned for early 2025

# Business highlights of Q3

**Regional expansion** continued in **Latin America** thanks to additional sales specifically of dissolvable plugs. In the **Central American** market, SBO further expanded its market presence by securing a new three-year contract for its Bypass Systems technology for a long-cycle customer project in Guyana.

**Strategic investments:** In September 2024, SBO successfully moved into a **new, larger facility in Dammam, Saudi Arabia**. This expansion provides more space for assembly, service and sales activities, enabling us to better serve our customers in this growing region.



**Energy transition and ESG initiatives:** SBO has been working on a joint R&D project “Benchmarking for Corrosion Resistant Alloys for High Pressure High Temperature **CCUS applications**” with Böhler and OMV. SBO’s high-performance steels P690 and P750 are expected to be best suited for the foreseen conditions in very harsh, corrosive environments.

Additionally, SBO has received orders as part of **the ambitious geothermal energy project** in Vienna.

**Awards:** SBO was honored at the Austrian Leading Companies (ALC) Awards in Lower Austria, winning the newly introduced **ESG Award**. This award highlights our commitment to environmental sustainability, social responsibility and exemplary corporate governance.

# Market environment has changed in the course of 2024

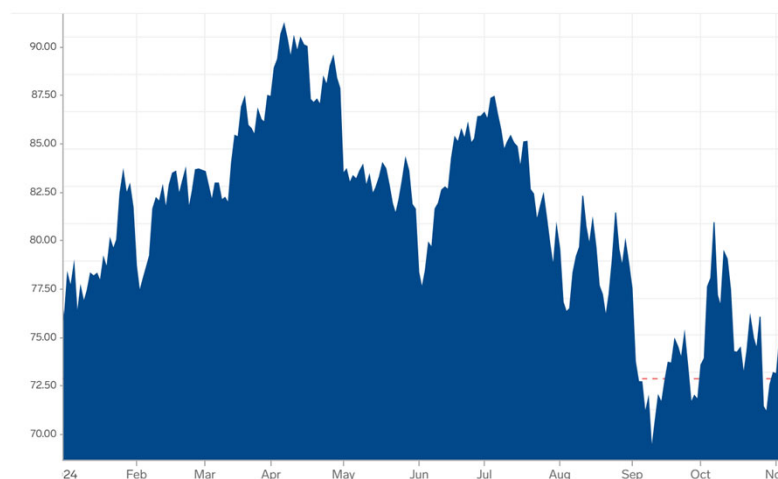
## - LONG-TERM:

- Fundamentals for the oilfield service industry intact
- New energy markets continue to grow and accelerate

## - NEAR-TERM:

- Global oil demand and supply is finely balanced
- Concerns of oversupply have emerged:
  - high non-OPEC+ output
  - uncertain OPEC+ actions
  - Slow-down in economic growth (mainly China)

BRENT OIL PRICE  
IN USD



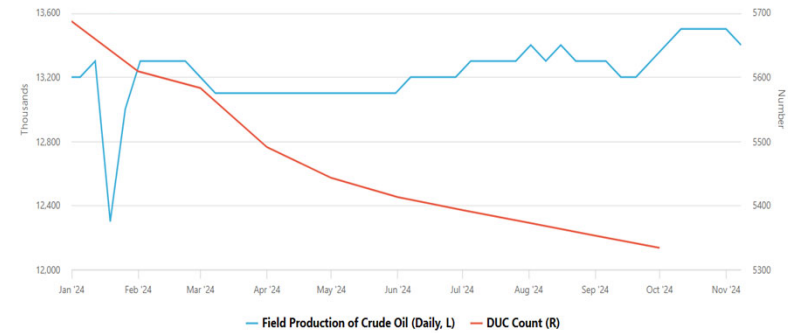
Slowdown in oil demand growth has led to a sharp decline in oil prices in Q3 (-17%).

# Industry spending has moderated also internationally

Global rig count has been relatively stable in Q3:

- US rig count steady at low levels (~ 586 active rigs):
  - strict capital discipline and continued consolidation
  - DUCs further declining (-6% YTD) while production still at highest levels
- International rig count relatively stable at ~937:
  - moderation of activity driven by sustained lower commodity pricing expectation
  - cautious approach of our customers leading to reduced spending

## DRILLED BUT UNCOMPLETED WELLS

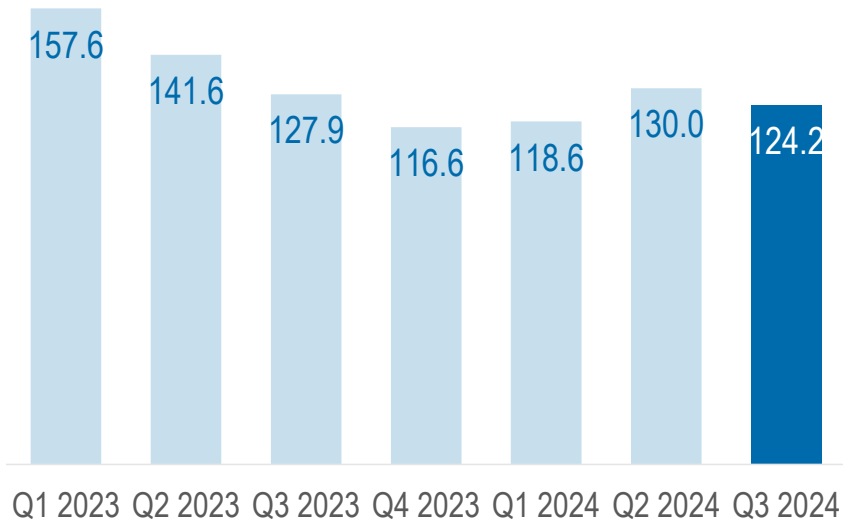


Source: Macrome.me



# Q3 bookings of MEUR 124.2 slightly lower than Q2 but above Q1, due to growth in OE

## BOOKINGS IN MEUR

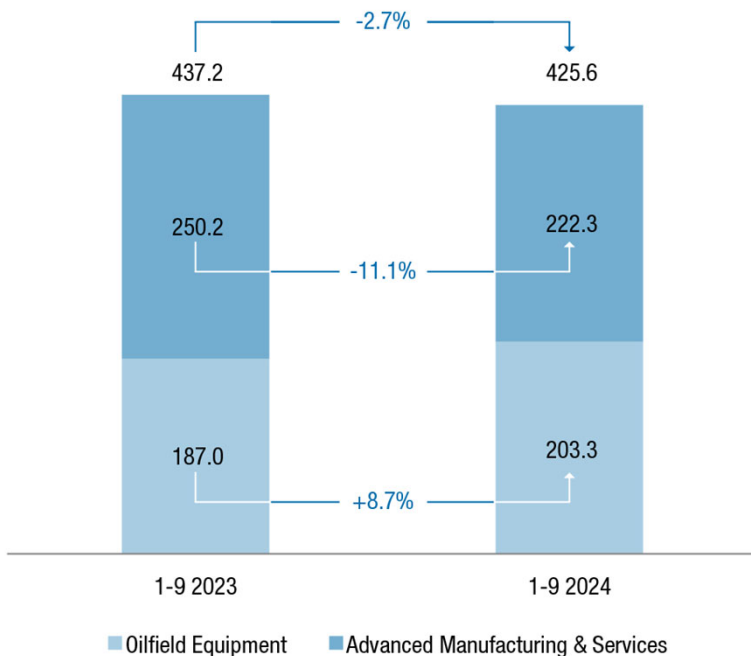


After 9.6% growth in Q2, bookings saw a slight decline (4.5%) in Q3 but remained above Q1, due to growth in OE.

# Sales remained at a high level thanks to OE rebound in Q3 while AMS sales declined due to a softening of demand in Q3

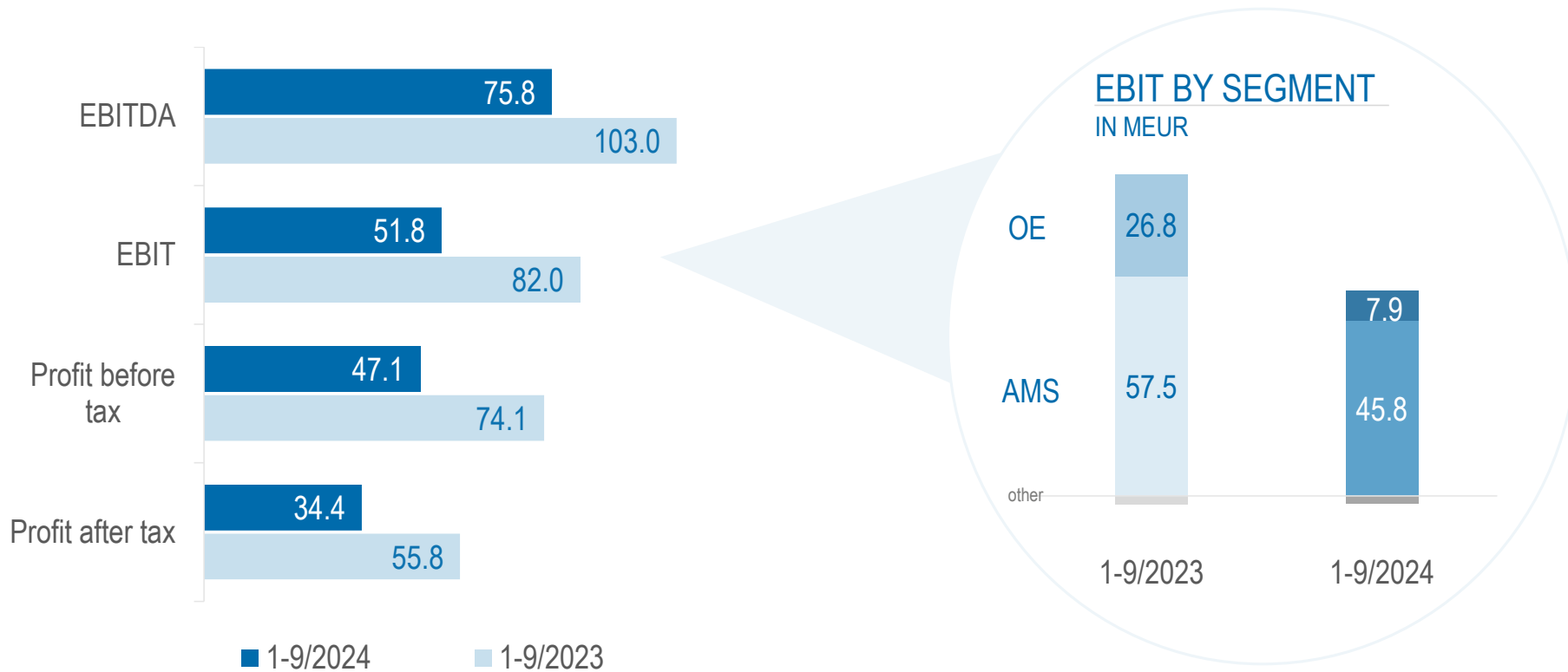
## GROUP SALES BY SEGMENT

IN MEUR | GROWTH %



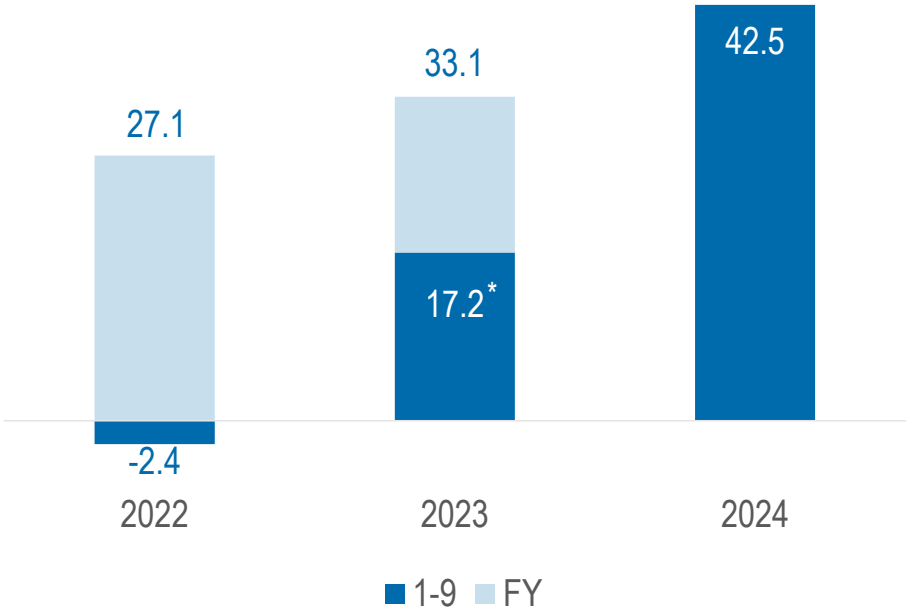
- After solid sales in AMS in the first half of the year, demand declined in Q3 and led to a 11.1% sales decline year-to-date.
- In the OE division, double-digit sales growth across all regions in Q3 supported the 8.7% year-over-year growth.

# Earnings declined compared to last year due to lower results in both divisions



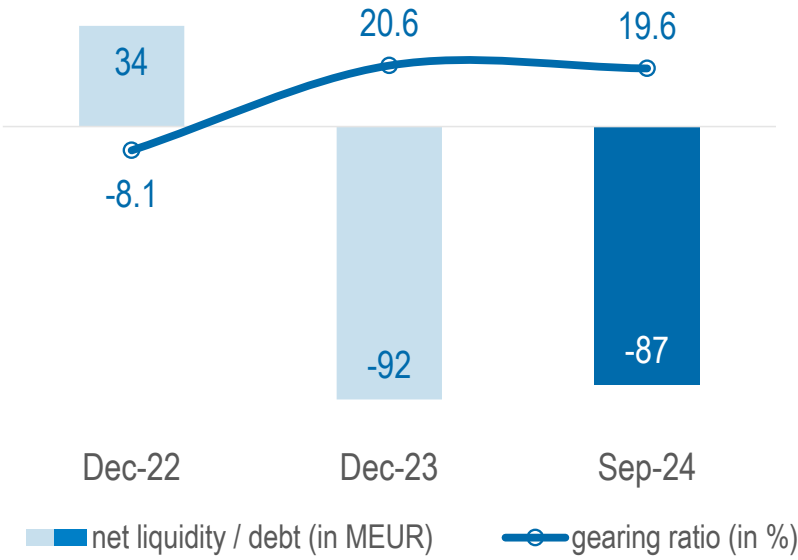
# Despite the reduction in earnings, free cash flow improved to MEUR 42.5 due to lower working capital

**FREE CASH FLOW**  
IN MEUR

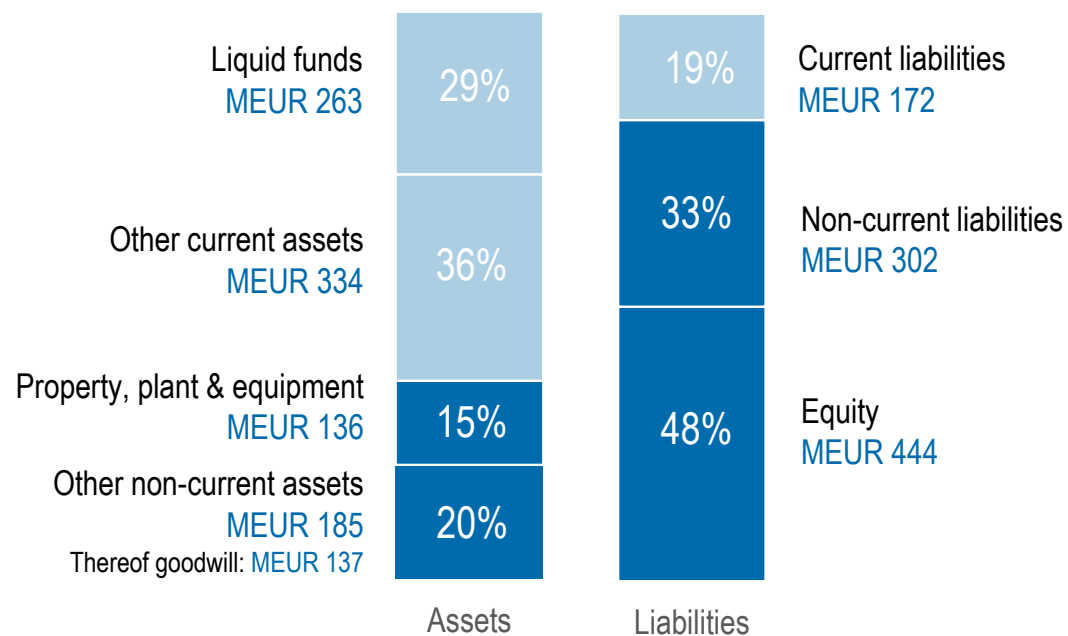


\* incl. MEUR 18.8 acquisition-related cash payment

**NET LIQUIDITY / DEBT AND GEARING**  
IN MEUR



# MEUR 101 net increase in cash, mostly from financing transactions, led to lower equity ratio of 48.3%



*Total assets: MEUR 918*

As of 30 September 2024, in MEUR (percentages rounded to reflect 100%)

# Outlook

- Long-term outlook for the energy industry remains positive, energy transition gaining momentum
- In the near-term, oilfield service industry will face a more dynamic environment with US market to remain challenging; international market supportive in key areas
- Potential policy changes in key markets, geopolitical uncertainties as well as volatility in commodity pricing with potentially significant impact on market dynamics
- AMS focus on active management of reduced activity and pursuit of diversification strategy
- Regional expansion in growth markets and driving performance improvement remain key priorities in OE division
- Strategy recalibration and relaunch of SBO branding to be finalized; update planned for early 2025



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