

## Press release

### **SBO with high sales and solid EBIT in Q1 2024 despite competitive US market**

- **Q1 sales of MEUR 146.7 maintained a high level after record in 2023; EBIT at MEUR 20.6**
- **AMS division continued excellent performance: Sales at MEUR 81.9; 21.7% EBIT margin**
- **Results of OE division impacted by continued slow US market**
- **Bookings up by 1.7% q-o-q to MEUR 118.6**
- **Additional Velo3D metal printer in Europe expands additive manufacturing capacity**

Ternitz, 23 May 2024. Schoeller-Bleckmann Oilfield Equipment AG (SBO), listed in the leading index ATX of the Vienna Stock Exchange, had a solid start to the year. SBO recorded a slight increase in bookings quarter-over-quarter, a positive shift after four consecutive quarters of decline. The Advanced Manufacturing & Services (AMS) business reported another quarter of high sales, driven by the positive international market environment. In the Oilfield Equipment (OE) business, the recently acquired Praxis Completion Technology contributed to growth in the Middle East, while the division's US business faced increased market pressure.

SBO's bookings of MEUR 118.6 were below the exceptionally strong Q1 2023 (MEUR 157.6), a quarter that was characterized by capacity securing order behavior of customers. However, Q1 2024 bookings increased by 1.7% compared to Q4 2023, driven by the AMS division. Sales of MEUR 146.7 continued at the high levels of previous quarters and Q1 2023 (1-3/2023: MEUR 147.3). The Group's order backlog amounted to MEUR 195.0 at the end of March (31 December 2023: MEUR 225.4).

Earnings before interest, taxes, depreciation and amortization (EBITDA) reached MEUR 28.8 in the first quarter (1-3/2023: MEUR 33.4), the EBITDA margin was 19.6% (1-3/2023: 22.7%). Profit from operations (EBIT) amounted to MEUR 20.6 (1-3/2023: MEUR 26.7) or 14.0% of sales (EBIT margin 1-3/2023: 18.1%). The earnings decline was entirely driven by the OE division. Profit before tax amounted to MEUR 19.2 (1-3/2023: MEUR 27.0). Profit after tax came in at MEUR 15.0 (1-3/2023: MEUR 21.3), resulting in EUR 0.95 in earnings per share (1-3/2023: EUR 1.35).

Klaus Mader, CEO of SBO, said: *"Our first quarter results reflect a mixed picture due to different market environments across regions. The AMS division delivered another excellent quarter with increased sales and high EBIT margins. Our OE division was impacted by the weaker US market and an unfavorable product mix resulting in lower margins. The increase in bookings in Q1, driven by the AMS division, has reversed the trend of the last quarters and is an encouraging signal of growing demand which we expect to continue in Q2. Our focus remains on diversifying our product portfolio and regionally expanding in the growth markets Middle East and Asia."*

### **Segment performance reflects mixed picture between markets**

The continued strong performance of the AMS segment underlines its position as a key value driver for the Group. Sales reached MEUR 81.9, up +4.4% quarter-on-quarter and exactly on par with the same period last year (1-3/2023: MEUR 81.9). EBIT increased slightly to MEUR 17.8 (1-3/2023: MEUR 17.5) with an EBIT margin of 21.7% (1-3/2023: 21.3%).

The OE segment faced a more challenging market environment. Sales amounted to MEUR 64.8 (1-3/2023: MEUR 65.4). The competitive US market was one of the main reasons for the lower EBIT of MEUR 3.6 compared to the same period of the previous year (1-3/2023: MEUR 11.7). An unfavorable product mix and higher costs further impacted the segment's earnings.

### **Solid balance sheet**

In the first quarter 2024, SBO's equity increased to MEUR 473.9 (31 December 2023: MEUR 448.0) and the equity ratio rose to 54.7% (31 December 2023: 53.6%). Net debt decreased to MEUR 89.5 (31 December 2023: MEUR 92.3), which improved gearing to 18.9% (31 December 2023: 20.6%). Cash and cash equivalents amounted to MEUR 168.7 (31 December 2023: MEUR 162.4).

The cash flow from operating activities for the quarter amounted to MEUR 9.7 compared to MEUR 19.6 in Q1 2023, mostly a result of the lower earnings. Capital expenditure on property, plant and equipment and intangible assets (excluding right of use assets) of MEUR 7.8 were at similar levels as last year (1-3/2023: MEUR 7.3). Free cash flow amounted to MEUR 2.5 (1-3/2023: MEUR 12.8).

### **Business Highlights**

In Q1, SBO continued the significant expansion of its location in Saudi Arabia. This strategic move will help strengthen SBO's position in this fast-growing region and increase the local presence. The new facility of nearly 3,500 m<sup>2</sup> will allow SBO to further grow in this market.

The installation of the first Velo3D XC metal printer at the Austrian facility in Ternitz expands SBO's capabilities in this state-of-the-art additive manufacturing technology. This sets a new industry standard in Europe, reinforcing SBO's position as a leader in the manufacturing of complex components for various industries, including space and aerospace.

In the geothermal sector SBO further strengthened its position through successful collaborations with their customers in several countries. For example, a custom-made Boss Hog HT composite frac plug was designed which significantly outperformed other options.

### **Outlook**

The oilfield service industry continues to grow with a clear focus on international markets, especially the Middle East, Latin America and Asia. The overall market fundamentals remain supportive and the sentiment of SBO's customer base is optimistic, especially with regard to the international markets. In North America, the market developments over the past few months point to a more challenging environment also for the near-term future.

SBO remains positive about the oil and gas sector and is confident that the core business will continue to grow. By capturing growth opportunities in international markets, further supported by the expanding presence in the Middle East and Asia, the Group looks optimistic into the future, albeit with a more cautious outlook for the US business.

At the same time, SBO is continuing its work on the development of a new business segment in the green tech energy sector. After solidifying the strategic plan and strengthening the team dedicated to this area, SBO is advancing the adaptation and use of SBO products in the area of new energy such as geothermal.

### SBO's Key Performance Indicators at a glance

		1-3/2024	1-3/2023
<b>Sales</b>	MEUR	<b>146.7</b>	<b>147.3</b>
<b>EBITDA</b> (Earnings before interest, taxes, depreciation, and amortization)	MEUR	<b>28.8</b>	<b>33.4</b>
<b>EBITDA margin</b>	%	<b>19.6</b>	<b>22.7</b>
<b>EBIT</b> (Earnings before interest and taxes)	MEUR	<b>20.6</b>	<b>26.7</b>
<b>EBIT margin</b>	%	<b>14.0</b>	<b>18.1</b>
<b>Profit before tax</b>	MEUR	<b>19.2</b>	<b>27.0</b>
<b>Profit after tax</b>	MEUR	<b>15.0</b>	<b>21.3</b>
<b>Cash flow from operating activities</b>	MEUR	<b>9.7</b>	<b>19.6</b>
<b>Free cash flow</b>	MEUR	<b>2.5</b>	<b>12.8</b>
<b>Liquid funds</b> as of 31 March 2024 / 31 December 2023	MEUR	<b>168.7</b>	<b>162.4</b>
<b>Net debt</b> as of 31 March 2024 / 31 December 2023	MEUR	<b>89.5</b>	<b>92.3</b>
<b>Equity ratio</b> as of 31 March 2024 / 31 December 2023	%	<b>54.7</b>	<b>53.6</b>
<b>Headcount</b> as of 31 March 2024 / 31 December 2023		<b>1,631</b>	<b>1,601</b>

*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 about 1,600 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 2023 at <https://www.sbo.at/publikationen>.*

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