

Press release

Financial year 2023: SBO with all-time high in sales

- Sales of MEUR 585.9 at record level (+16.9%)
- EBIT improved to MEUR 102.3, operating cash flow increased by around 65% to MEUR 86.5
- Dividend proposal of EUR 2.00 per share

Ternitz/Vienna, 20 March 2024. Schoeller-Bleckmann Oilfield Equipment AG (SBO), listed on the ATX of the Vienna Stock Exchange, continued its growth in 2023 and recorded excellent sales and earnings development. The SBO Group's sales rose by 16.9% to an all-time high of MEUR 585.9 (2022: MEUR 501.2), driven by the outstanding performance of the AMS division with 32.2% growth. Thanks to continued high demand, particularly in international markets, bookings reached MEUR 543.7, following a record figure in the previous year (2022: MEUR 646.0). The order backlog per year-end remained at a high level at MEUR 225.4 (2022: MEUR 265.0).

Earnings increased compared to the previous year, but were impacted by negative foreign exchange effects in 2023. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to MEUR 131.3 (2022: MEUR 129.1); adjusted for foreign exchange losses, EBITDA increased by 11.6% to MEUR 138.2 (adjusted EBITDA 2022: MEUR 123.8). Profit from operations (EBIT) rose to MEUR 102.3 (2022: MEUR 96.2), the adjusted EBIT increased by 20.1% to MEUR 109.2 (adjusted EBIT 2022: MEUR 90.9). This led to an improved adjusted EBIT margin of 18.6% (2022: 18.1%).

Profit before and after tax with solid development: Profit before tax of MEUR 94.2 was slightly higher than the previous year's (2022: MEUR 93.3), and profit after tax amounted to MEUR 71.6 (2022: MEUR 75.2). The higher tax rate in 2023 (24.0%) was primarily due to the valuation of investments in subsidiaries.

"The year 2023 was extraordinarily successful for SBO. We have once again demonstrated our operational strength, achieved record sales, improved our operating result and generated a high operating cash flow. In particular, our AMS division delivered a top performance and contributed to these accomplishments", says Klaus Mader, CEO of SBO. "We also strengthened our core business: With the acquisition of Praxis Completion Technology, we have not only expanded our portfolio in the area of well completion, but also extended our presence in the growing markets in the Middle East and extended our product range for the promising area of Carbon Capture and Storage."

SBO completed the acquisition of Praxis Completion Technology in October 2023. The Dubai-based company is one of the leading suppliers of packer systems and completion products in the Middle East, offering tailored solutions that extend well life, assure well integrity and improve well performance.

Sales growth in both business segments, AMS outstanding with +32%

SBO's business is divided into two segments: The Oilfield Equipment (OE) segment and the Advanced Manufacturing & Services (AMS) segment. The OE division posted solid results, despite a reduction in drilling and completion activities in the US market in 2023. Sales increased slightly to MEUR 257.2 (2022: MEUR 252.6) after a strong finish at the end of the year. Profit from operations (EBIT) of the OE division was influenced by various one-off-effects – such as higher research and development expenses, negative foreign exchange effects, and acquisition-related and other one-off expenses – and was down on the previous year at MEUR 31.5 (2022: MEUR 50.1). In contrast, the AMS division had an outstanding year thanks to growth in international markets and an excellent operating performance. Sales in the AMS segment rose sharply to MEUR 328.7 (2022: MEUR 248.7). The EBIT improved significantly to MEUR 80.3 (2022: MEUR 48.3) due to higher sales and increased productivity.

Excellent balance sheet ratios, cash flow further improved

The SBO Group's equity increased to MEUR 448.0 as of 31 December 2023, compared to MEUR 425.0 in the previous year. The equity ratio increased to 53.6% (2022: 47.1%). Cash and cash equivalents amounted to MEUR 162.4 (2022: MEUR 287.8), after one-off cash outflows of MEUR 21.7 for the acquisition of Praxis Completion Technology and MEUR 119.0 for the acquisition of minority interests following the final settlement of a legal dispute. Net debt amounted to MEUR 92.3 (2022: net liquidity of MEUR 34.5), while gearing stood at 20.6% (2022: minus 8.1%).

Cash flow from operating activities increased by 65% or MEUR 34.1 compared to the previous year and amounted to MEUR 86.5 (2022: MEUR 52.4), primarily driven by a reduced increase in working capital. Despite the acquisition-related cash outflow for Praxis Completion Technology, free cash flow improved to MEUR 33.1 (2022: MEUR 27.1). Capital expenditure on property, plant and equipment and intangible assets (CAPEX) increased to MEUR 37.5 in 2023 (2022: MEUR 31.0).

"With our high level of cash, we are in an excellent position to implement our strategic plans and make targeted investments for further growth," says CEO Mader.

Thanks to the excellent earnings, the Executive Board will propose to the Annual General Meeting on 25 April 2024 again a dividend of EUR 2.00 per share for the financial year 2023 (2022: EUR 2.00 per share).

Positive outlook

The ongoing need for energy security and increased investments, particularly in the international markets and in offshore projects, lead to optimism in SBO's industry segment. SBO will consistently take advantage of the favorable market environment in its core business and is confident for 2024 thanks to well-filled order books, the integration of Praxis Completion Technology and new product innovations. The Group is focusing on expanding its activities in the growing markets of the Middle East and Asia and strengthening its local presence there. At the same time, SBO is concentrating on growth in the green tech energy sector, both organically and through acquisitions, provided they offer clear strategic advantages and long-term added value.

"For our core business, the market fundamentals support a sustained, multi-year increase in global spending in exploration and production. We are capitalizing on this opportunity, particularly by expanding our facilities in Saudi Arabia and Vietnam," says CEO Klaus Mader. *"At the same time, we continue to pursue our ambitious goals outside our core business. We are increasing our efforts to identify strategic investment targets and further diversify our existing product range to tap into promising markets such as geothermal and carbon capture & storage. With that, we will actively contribute to the energy transition and secure our leading role in the long term. This puts us in an excellent position for the future."*

SBO key figures at a glance

		2023	2022
Sales	MEUR	585.9	501.2
Earnings before interest, taxes, depreciation and amortization (EBITDA)	MEUR	131.3	129.1
Adjusted EBITDA	MEUR	138.2	123.8
Adjusted EBITDA margin	%	23.6	24.7
EBIT	MEUR	102.3	96.2

Adjusted EBIT	MEUR	109.2	90.9
Adjusted EBIT margin	%	18.6	18.1
Profit before tax	MEUR	94.2	93.3
Profit after tax	MEUR	71.6	75.2
Earnings per share	EUR	4.55	4.78
Cash flow from operating activities	MEUR	86.5	52.4
Free cash flow	MEUR	33.1	27.1
Cash and cash equivalents as of 31 December	MEUR	162.4	287.8
Net liquidity + / net debt - as of 31 December	MEUR	-92.3	34.5
Equity ratio	%	53.6	47.1
Headcount as of 31 December		1,601	1,484

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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