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EANS-Adhoc: Schoeller-Bleckmann Oilfield Equipment AG / -Higher growth expectations for US-subsiary Downhole lead to increased liability for option commitment -Sustained strong operating result again in Q3

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No Keyword
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Ternitz - Ternitz/Vienna, 17 October 2017. Downhole Technology, the latest addition to the Well Completion business of Schoeller-Bleckmann Oilfield Equipment AG (SBO) is exceeding the group's high expectations in terms of sales and profit due to strong demand and a sound market environment.

This positive development which is also reflected in the business result of SBO has an effect on the valuation of the put/call option for minority shareholders, agreed upon in course of the acquisition of Downhole Technology. On 1 April 2016, SBO had acquired 68 % of the shares in Downhole Technology. In the wake of the acquisition an option was concluded for the remaining 32 % of the shares in the company with the minority shareholders. This option can be exercised not earlier than 1 April 2019. Owing to the strong growth of Downhole Technology, the price for acquiring the remaining shares at the earliest possible date for exercising the option is now projected to be considerably higher. SBO's accounting principles require in the third quarter of 2017 a non-cash-effective expense posting of MEUR 90 in the financial result of the income statement of SBO.

This will have no effect on the strong operating result of SBO: In the third quarter of 2017 sales are expected to come to MEUR 92, more than doubling the figure reported in the same period of last year (Q3/2016: MEUR 45.1), while earnings before interest, taxes, depreciation, and amortisation (EBITDA) should come to MEUR 26. The operating result (EBIT) of MEUR 13 will be in positive territory for the second consecutive quarter. For the first time since the crisis started the EBITDA margin will settle at 28 %, above its long-term average (2001-2016: 24.1 %). Profit before tax will arrive at MEUR minus 78 in the third quarter, considering the expense posting from the option. This positive operating result will be the decisive factor for the dividend proposal for the 2017 financial year. All amounts mentioned are preliminary figures. The final results for the first three quarters of 2017 will be published on 23 November 2017 as planned.

Key performance indicators at a glance

		Q1-Q3 / 2017	Q1-Q3 / 2016
		(preliminary)	
Sales	MEUR	228	133.1
Bookings	MEUR	241	116.5
EBITDA	MEUR	48	-7.2
EBITDA margin	%	21	-5.4
EBIT	MEUR	10	-50.9
EBIT margin	%	4	-38.2
Profit before tax	MEUR	-86	-36.2

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end of announcement

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