

Q1 2019
QUARTERLY HIGHLIGHTS

BOOKINGS +5.9 %

MEUR 128.4

SALES +28.6 %

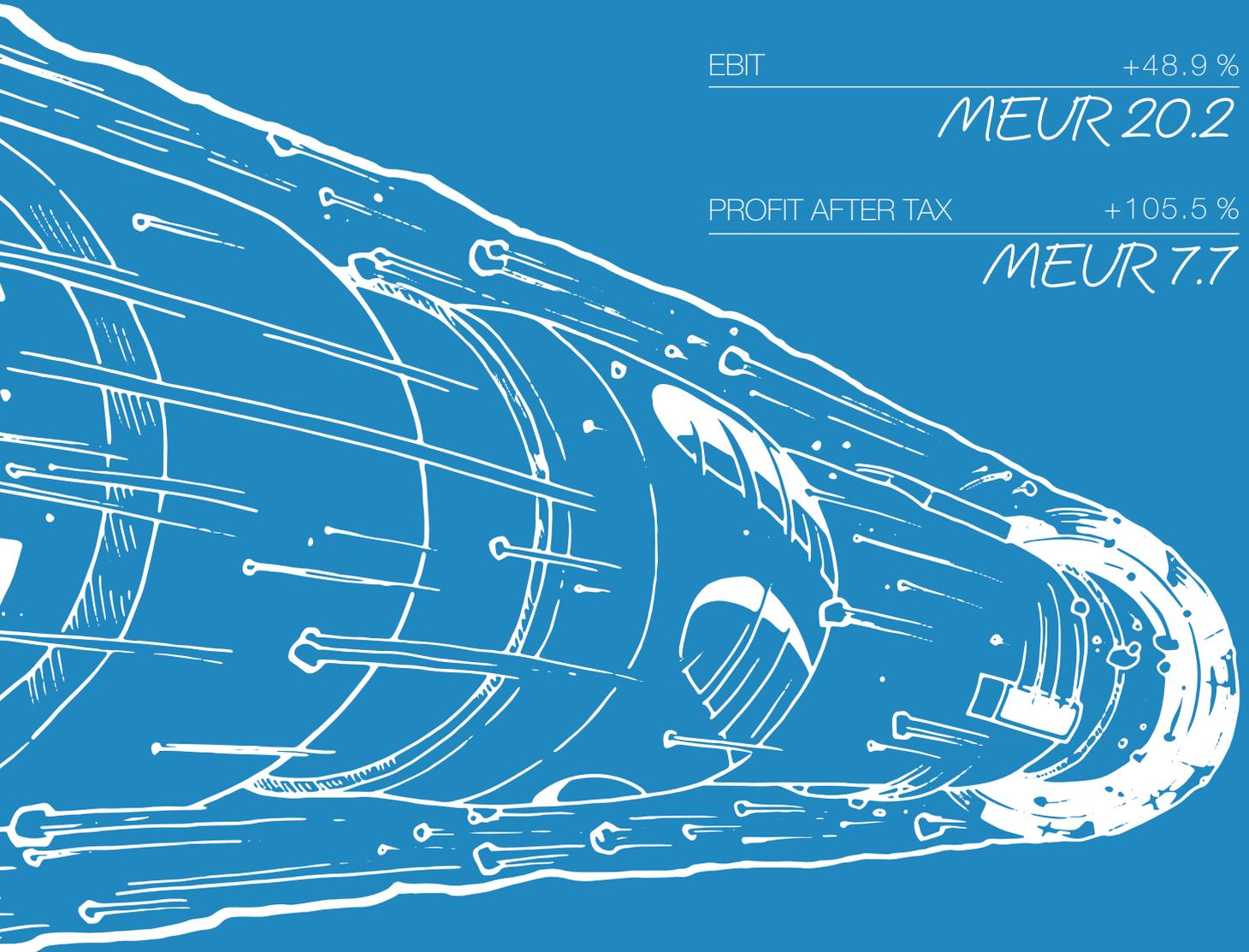
MEUR 121.1

EBIT +48.9 %

MEUR 20.2

PROFIT AFTER TAX +105.5 %

MEUR 7.7



"The dynamic growth of the international market continued in the first quarter of 2019. We actively exploited this development to grow sales and earnings substantially. In North America, the temporary slowdown of the previous quarter continued. The region looks back on years of strong growth though. Our performance demonstrates that we are positioned excellently in this market situation and can respond very quickly to changes in the various markets."

GERALD GROHMANN
CEO

SBO EXPLOITS RISING MOMENTUM IN THE INTERNATIONAL MARKET: SALES WENT UP BY ALMOST 30 % IN THE FIRST QUARTER OF 2019, PROFIT AFTER TAX DOUBLED

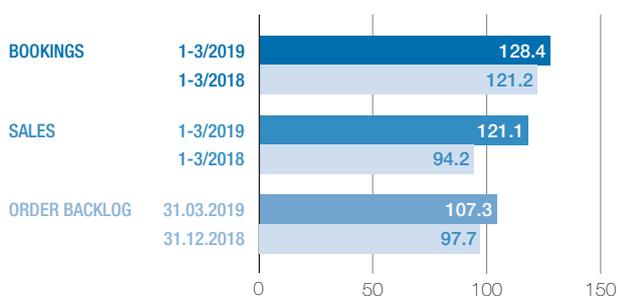
Schoeller-Bleckmann Oilfield Equipment AG (SBO) reports a successful first quarter of 2019. Recovery in the international oil market continued and had a positive effect on SBO's earnings. The development in the North American business was flat, albeit at a high level. Overall, SBO was able to grow sales by almost 30 % in the first three months of the year in comparison to the first quarter of 2018, while the operating result (EBIT) increased by around half and profit after tax doubled.

BUSINESS DEVELOPMENT

SALES AND EARNINGS

Bookings received by SBO, which is listed in the leading ATX index of the Vienna Stock Exchange, grew by 5.9 % to MEUR 128.4 (1-3/2018: MEUR 121.2) in the first three months of 2019. Sales arrived at MEUR 121.1, up 28.6 % (1-3/2018: MEUR 94.2). The order backlog at the end of March came to MEUR 107.3 (31 December 2018: MEUR 97.7).

in MEUR



Earnings before interest, taxes, depreciation and amortization (EBITDA) rose strongly from MEUR 25.2 in

the first quarter of 2018 to MEUR 32.9 in 2019. The EBITDA margin arrived at 27.2 %, which is above the long-term average of 24.3 %. The operating result (EBIT) went up by 48.9 % to MEUR 20.2 (1-3/2018: MEUR 13.6). SBO's profit before tax climbed significantly to MEUR 12.8, compared to MEUR 5.5 in the first quarter of 2018 (+132.2 %). Profit after tax increased by 105.5 % to MEUR 7.7 (1-3/2018: MEUR 3.7). Earnings per share for the first quarter of 2019 were EUR 0.48 (1-3/2018: EUR 0.23). The option to acquire the minority interest of 32.3 % in US subsidiary Downhole Technology LLC was exercised as of 1 April 2019. As communicated to the capital market, SBO had already provided for the expected option price in the balance sheet.

CEO Gerald Grohmann:

"We were able to benefit from the momentum of the market as we had prepared for it at a very early stage. The positive development of our sales and

earnings is attributable to broad-based growth, particularly in the international market. This shows once again that our business structure stands on solid ground and aims at sustainable growth."

SEGMENTS

SBO's business is divided into two segments, Advanced Manufacturing & Services (AMS) and Oilfield Equipment (OE). Sales of the AMS segment increased strongly year-on-year, arriving at MEUR 60.2 in the first quarter (1-3/2018: MEUR 33.4), and the operating result (EBIT) rose significantly to MEUR 9.4 (1-3/2018: MEUR 1.0). Sales of the OE segment remained stable at

MEUR 61.0 (1-3/2018: MEUR 60.8), EBIT came to MEUR 9.4 (1-3/2018: MEUR 13.4).

KEY BALANCE SHEET FIGURES AND CASHFLOW

SBO's equity went up to MEUR 385.8 (31 December 2018: MEUR 368.2). SBO's equity ratio was 41.2 % (31 December 2018: 40.5 %)¹ and net debt was significantly reduced to MEUR 34.3 (31 December 2018: MEUR 62.5). Liquid funds amounted to MEUR 270.0 (31 December 2018: MEUR 241.5). The operating cashflow clearly developed positively and increased to MEUR 36.8 in the first quarter of 2019 (1-3/2018: MEUR 7.8). Capital expenditure for property, plant and equipment and intangible assets (CAPEX) rose to MEUR 10.9 (1-3/2018: MEUR 6.7).

SBO'S KEY PERFORMANCE INDICATORS AT A GLANCE

		1-3/2019	1-3/2018
Sales	MEUR	121.1	94.2
Earnings before interest, taxes, depreciation and amortization (EBITDA)	MEUR	32.9	25.2
EBITDA margin	%	27.2	26.8
Earnings before interest and taxes (EBIT)	MEUR	20.2	13.6
EBIT margin	%	16.7	14.4
Profit before tax	MEUR	12.8	5.5
Profit after tax	MEUR	7.7	3.7
Earnings per share	EUR	0.48	0.23
Cashflow from operating activities	MEUR	36.8	7.8
Liquid funds as of 31 March 2019 / 31 December 2018	MEUR	270.0	241.5
Headcount as of 31 March 2019 / 31 December 2018		1,548 ²	1,646

Detailed figures are contained in the attachments to this company publication.

¹ The balance sheet figures as at 31 December 2018 have been restated following the retroactive application of the new accounting standard IFRS 16 (Leases).

² The head count decrease from restructuring measures is included.

MARKET ENVIRONMENT

The international market continued to grow in the first quarter of 2019 and had a positive effect on the business of the oilfield service industry, whereas in North America, the existing capacity bottlenecks and increased cost discipline of exploration and production companies showed effect and caused a slowdown of the market. The capital markets were continuously confronted with tightening trade sanctions against Russia, China and the Iran by the US government.

*„International
market environment
improving“*

Global oil production in the first quarter of 2019 was 99.8 million barrels per day (mb/d), slightly above the demand of 99.1 mb/d. OPEC crude oil production

came to 36.2 mb/d (30.6 mb/d exclusive of Natural Gas Liquids / NGLs), slightly lower than in the same period of the previous year (1-3/2018: 37.3 mb/d), due to renewed production cuts as decided on 7 December 2018. The production volume of the non-OPEC countries amounted to 63.7 mb/d (1-3/2018: 61.1 mb/d). Rising production volumes were recorded above all in the United States, where they stood at 16.7 mb/d in the first quarter of 2019, up 2.3 mb/d from the levels of the previous year.³

The number of globally active drilling rigs (rig count) was 2,213 rigs in March 2019. Since the beginning of the year, this was a slight decrease by 31 rigs (December 2018: 2,244 rigs). The US, in particular, led to this decrease, as the rig count went down by 55 rigs (December 2018: 1,078 rigs). The international rig count developed positively again to 1,039 rigs (December 2018: 1,025 rigs).⁴

The oil price recovered significantly after the price slump at the end of the previous year. The price per barrel of European Brent crude started the year at USD 53.80 and arrived at USD 68.39 on the last trading day of the first quarter, an increase of 27.1 %. During the same period, the price of WTI crude rose from USD 45.41 per barrel to USD 60.14 (+ 32.4 %).⁵

³ International Energy Agency (IEA), Oil Market Report, May 2019.

⁴ Baker Hughes Rig Count.

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

OUTLOOK

The momentum in the international market remains high. The underinvestment seen in the years of crisis within the oil and gas industry has created pent-up demand that will gradually lead to the launch of new exploration and production projects and a revival of activities in the oilfield service industry. Assumptions are that spending for exploration and production (E&P spending) in 2019 will go up by 4 % globally, with the international market expected to contribute a rise of 7 %.

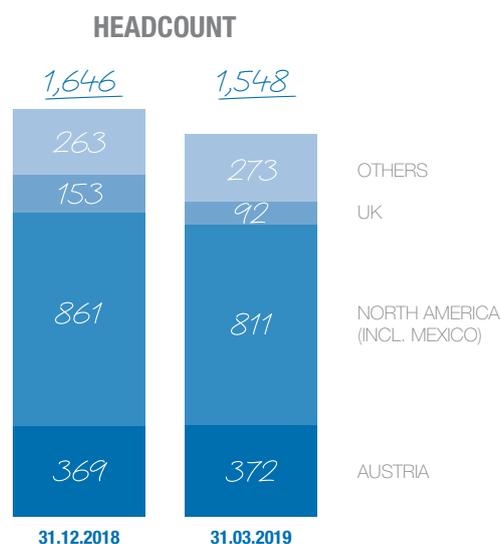
In North America, the strong growth of recent years levelled off. The cost discipline of the exploration and

production companies is reflected also in the expected 5 % cutback of E&P spending in 2019.⁶

"The trend towards efficiency-enhancing products and measures is going on. The feedback we receive from our customers is positive and our order books are well filled. We expect that the momentum in the international market will continue, provided the global economy develops positively going forward", says Gerald Grohmann, CEO.

SBO AT A GLANCE

SBO is a leading supplier of tools and equipment for directional drilling and well completion applications. The company is the global market leader in the manufacture of high-precision components made of non-magnetic steel. The product offering ranges from complex customized components for the oilfield service industry to a selection of high-efficiency solutions and products for the oil and gas industry. As of 31 March 2019, SBO employed a workforce of 1,548 worldwide (31 December 2018: 1,646), thereof 372 in Ternitz / Austria and 811 in North America (including Mexico).



⁶ Evercore ISI Research, December 2018 and March 2019.

SBO SHARE

The share of Schoeller-Bleckmann Oilfield Equipment AG is listed in the Prime Market of the Vienna Stock Exchange under ISIN AT0000946652 and the ticker symbol „SBO“. In total, 16,000,000 par value shares with a par value of EUR 1.00 each have been issued.

The SBO share started into the year at a price of EUR 57.35 on 2 January 2019 and closed at EUR 74.00 on 29 March 2019. The share price thus rose by 29.0 % in the first quarter, outperforming both

the OSX and ATX index. The OSX went up by 17.5 % year-on-year, while the ATX, the leading Austrian index, rose by 10.5 %, reflecting the sound situation of the Austrian economy. In comparison, Brent crude climbed by 27.1 % and WTI crude climbed by 32.4 %.

The market capitalization at the end of the quarter was MEUR 1,184. 67 % of the shares were in free float as of that closing date.



FINANCIAL CALENDAR

22 August 2019	HY 2019
28 November 2019	Q3 2019

CONTACT AND LEGAL NOTICE

Further information about SBO is available on www.sbo.at. If you have any questions about 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 quarterly reporting:

This quarterly report is also available in 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 these 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.

CONSOLIDATED PROFIT AND LOSS STATEMENT

in TEUR	1-3/2019	1-3/2018
Sales	121,141	94,184
Cost of goods sold	-83,717	-62,394
Gross profit	37,424	31,790
Selling expenses	-6,420	-5,677
General and administrative expenses	-10,861	-9,615
Other operating expenses	-3,761	-5,821
Other operating income	4,166	2,881
Profit from operations before restructuring measures	20,548	13,558
Restructuring expenses	-365	0
Profit from operations after restructuring measures	20,183	13,558
Interest income	1,150	551
Interest expenses	-3,139	-2,640
Other financial expenses	-10,515	-7,087
Gains/losses from remeasurement of option liabilities	5,151	1,143
Financial result	-7,353	-8,033
Profit before tax	12,830	5,525
Income taxes	-5,151	-1,789
Profit after tax	7,679	3,736
Average number of shares outstanding	15,949,603	15,953,603
EARNINGS PER SHARE IN EUR (BASIC = DILUTED)	0.48	0.23

CONSOLIDATED BALANCE SHEET

ASSETS

in TEUR	31.03.2019	31.12.2018* restated
<i>Current assets</i>		
Cash and cash equivalents	270,031	241,532
Trade receivables	126,650	125,127
Other receivables and other assets	8,392	8,162
Assets held for sale	74	538
Inventories	141,187	145,859
Total current assets	546,334	521,218
<i>Non-current assets</i>		
Property, plant and equipment	155,719	152,702
Goodwill	164,712	161,153
Other intangible assets	35,645	38,042
Long-term receivables and assets	9,137	9,559
Deferred tax assets	24,606	26,344
Total non-current assets	389,819	387,800
TOTAL ASSETS	936,153	909,018

* The balance sheet figures as at 31 December 2018 have been restated following the retroactive application of the new accounting standard IFRS 16 (Leases).

LIABILITIES AND EQUITY

in TEUR	31.03.2019	31.12.2018* restated
<i>Current liabilities</i>		
Liabilities to banks	31,850	31,412
Current portion of long-term loans	50,310	18,310
Lease liabilities	2,388	2,555
Trade payables	19,889	21,165
Government grants	334	334
Income tax payable	7,146	4,667
Other liabilities	179,742	170,937
Other provisions	4,661	4,754
Total current liabilities	296,320	254,134
<i>Non-current liabilities</i>		
Long-term loans	222,152	254,278
Lease liabilities	5,786	5,158
Government grants	623	623
Provisions for employee benefits	5,834	5,755
Other liabilities	17,608	18,824
Deferred tax liabilities	2,025	2,042
Total non-current liabilities	254,028	286,680
<i>Equity</i>		
Share capital	15,955	15,949
Capital reserve	68,451	68,303
Legal reserve	785	785
Other reserves	19	19
Currency translation reserve	32,845	23,077
Retained earnings	267,750	260,071
Total equity	385,805	368,204
TOTAL LIABILITIES AND EQUITY	936,153	909,018

* The balance sheet figures as at 31 December 2018 have been restated following the retroactive application of the new accounting standard IFRS 16 (Leases).

CONSOLIDATED CASHFLOW STATEMENT

in TEUR	1-3/2019	1-3/2018
OPERATING ACTIVITIES		
Profit after tax	7,679	3,736
Adjustment for dividends relating to put/call-options	10,515	7,087
Depreciation, amortization and impairments	12,733	11,637
Other non-cash expenses and revenues	-397	1,598
Cashflow from profit	30,530	24,058
Change in working capital	6,237	-16,274
Cashflow from operating activities	36,767	7,784
INVESTING ACTIVITIES		
Expenditures for property, plant and equipment and intangible assets	-10,088	-6,716
Other activities	1,245	844
Cashflow from investing activities	-8,843	-5,872
FREE CASHFLOW	27,924	1,912
FINANCING ACTIVITIES		
Dividends paid relating to put/call-options	-2,156	-7,087
Change in financial liabilities	-1,048	474
Cashflow from financing activities	-3,204	-6,613
Change in cash and cash equivalents	24,720	-4,701
Cash and cash equivalents at the beginning of the period	241,532	165,982
Effects of exchange rate changes on cash and cash equivalents	3,779	-3,398
Cash and cash equivalents at the end of the period	270,031	157,883

SEGMENT REPORTING

1-3/2019

in TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	60,185	60,956	0	121,141
Intercompany sales	29,568	4,474	-34,042	0
Total sales	89,753	65,430	-34,042	121,141
Profit from operations (EBIT) before restructuring measures	9,395	9,431	1,722	20,548
Profit before tax	9,280	2,447	1,103	12,830

1-3/2018

in TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	33,419	60,765	0	94,184
Intercompany sales	15,824	3,000	-18,824	0
Total sales	49,243	63,765	-18,824	94,184
Profit from operations (EBIT) before restructuring measures	986	13,363	-791	13,558
Profit before tax	1,225	6,041	-1,741	5,525