SBO

Press release

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New upcycle: SBO bookings increase in H1 despite Middle East conflict

- Bookings increased to MEUR 235.3 in H1 (+8.5%); the trend from Q1 continued in Q2 despite the ongoing Middle East conflict
- Order backlog continues to grow to MEUR 117.9, up 31.7% since the beginning of the year
- Sales gaining momentum sequentially: after eight quarters of decline or stagnation, sales increased 7.7% from Q1 to Q2, driven by the recovery in the Precision Technology division
- EBITDA margin remained with 11.8% in double digits despite the challenging market environment
- Diversification accelerating: growth in additive manufacturing and rising demand in geothermal energy and the subsea flow control market

SBO AG entered a new upcycle in the first half of 2026. **Bookings** increased to MEUR 235.3 (1-6/2025: MEUR 216.9), up 8.5% year-on-year, with the positive trend from the first quarter carrying into the second quarter despite the ongoing Middle East conflict (Q2 2026: MEUR 117.7; Q1 2026: MEUR 117.6). The **order backlog** continued to increase, reaching MEUR 117.9 as of 30 June 2026 (31 December 2025: MEUR 89.5), an improvement of 31.7%. The share of bookings from new business areas outside the oil and gas industry is approaching the 10% mark – a clear sign that SBO's diversification strategy is delivering measurable results, driven by geothermal energy, 3D metal printing and new high-performance materials.

CEO Klaus Mader comments on this development: *"A new upcycle in our core business is beginning. Our rising bookings show that we have passed the trough. Despite the Middle East conflict and volatile oil prices, the improved bookings from the first quarter continued."*

Sales and earnings for H1 2026 were below the prior year, reflecting the expected time lag of a few quarters following the low bookings of 2025 and the operational impact of the Middle East conflict. **Sales** reached MEUR 204.7 (1-6/2025: MEUR 253.6), burdened by FX-effects. Adjusted for these currency translation effects, sales declined by 14.7% in H1 2026. A sequential improvement was already visible: after eight quarters of declining or, more recently, stagnating sales, in the second quarter sales clearly increased by 7.7% quarter-on-quarter (Q2 2026: MEUR 106.1; Q1 2026: MEUR 98.5).

Earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to MEUR 24.2 in the first half of the year (1-6/2025: MEUR 44.5) – a sales-related decline resulting from the lower bookings recorded in the prior year. Despite the challenging market environment, the **EBITDA margin** remained with 11.8% in double digits (1-6/2025:

17.5%). **Profit from operations (EBIT)** amounted to MEUR 6.9 in the first half of 2026 (1-6/2025: MEUR 28.6), with an **EBIT margin** of 3.4% (1-6/2025: 11.3%). On a sequential basis, however, a clear improvement was recorded: EBITDA improved by 11.3% (Q2 2026: MEUR 12.7; Q1 2026: MEUR 11.4), while EBIT even increased by 52.2% (Q2 2026: MEUR 4.2; Q1 2026: MEUR 2.7).

Profit before tax amounted to MEUR 3.1 (1-6/2025: MEUR 26.0), and **profit after tax** to MEUR 0.2 (1-6/2025: MEUR 18.5). **Earnings per share** amounted to EUR 0.01 (1-6/2025: EUR 1.18).

Segments: PT recovering, EE navigating headwinds
At the segment level, the picture was mixed: while the Precision Technology (PT) division's earnings improved significantly from Q1 to Q2 on the back of higher sales and improved capacity utilization, profitability in the Energy Equipment (EE) division declined over the same period, due to the product mix, ramp-up costs of the reline and distribution center, and the negative impact of the conflict in the Middle East.

Sales in the **Precision Technology division** amounted to MEUR 85.9 in the first half of 2026 (1-6/2025: MEUR 107.6). At the quarterly level, the continued positive trend in bookings was already reflected in sales: the 21.8% increase from Q1 to Q2 marks the first quarterly increase after eight consecutive quarters of decline. EBITDA came in at MEUR 9.6 (1-6/2025: MEUR 22.4), corresponding to an EBITDA margin of 11.1% (1-6/2025: 20.8%). EBIT amounted to MEUR 2.4 (1-6/2025: MEUR 16.4), with an EBIT margin of 2.8% (1-6/2025: 15.3%).

In the **Energy Equipment division**, sales were 18.7% below the prior year at MEUR 118.7 (1-6/2025: MEUR 146.0). Sales were impacted by logistics restrictions resulting from the Middle East conflict, which in many cases prevented the deployment of products and services on site. In addition, earnings were impacted by an unfavorable product mix and ramp-up costs for the reline and distribution center in the US. EBITDA amounted to MEUR 15.8 (1-6/2025: MEUR 25.6), with an EBITDA margin of 13.3% (1-6/2025: 17.6%). EBIT was MEUR 5.9 (1-6/2025: MEUR 16.0), resulting in an EBIT margin of 5.0% (1-6/2025: 10.9%).

Strong balance sheet underpins strategic flexibility
SBO continues to have an excellent balance sheet structure. After a dividend payment of MEUR 11.8 in the second quarter **equity** amounted to MEUR 427.0 as of 30 June 2026 (31 December 2025: MEUR 421.9). This led to an **equity ratio** of 47.5% (31 December 2025: 47.2%). **Cash and cash equivalent**s totaled MEUR 254.8 as of the reporting date (31 December 2025: MEUR 281.5). **Net debt** stood at MEUR 100.1 (31 December 2025: MEUR 78.1), mainly caused by the dividend payment and high CAPEX in the first half of 2026 as well as an increase in working capital due to higher activity in the PT division. The **gearing ratio** was 23.4% (31 December 2025: 18.5%).

Cash flow from operating activities amounted to MEUR 11.2 (1-6/2025: MEUR 37.1). **Free cash flow** was MEUR -13.3 (1-6/2025: MEUR 18.4). The increase in the cash flow from investing activities to MEUR -24.5 after MEUR -18.7 in 1-6/2025 was primarily driven by strategic diversification, in particular the expansion of 3D metal printing capacity (MEUR -8.6). SBO's high cash position and financial stability provide a solid foundation for financing the upcycle and the execution of its growth strategy.

Recovery ahead: structural drivers will support demand

Energy security has moved to the forefront of the strategic agenda, which translates into three structural drivers that will underpin demand for SBO's products and services: the replenishment of depleted commercial and strategic inventories, the diversification of supply with greater sourcing redundancy, and the accelerated development of local resources for long-term resilience. In addition, spending on rebuilding production capacity in the Middle East is expected to rise. Furthermore, first customers are already talking about the start of a new upcycle. This higher level of activity is already becoming visible in the Precision Technology division.

Overall, SBO currently expects further recovery in the second half of the year. A gradual normalization of activity and logistics in the Middle East would provide additional upside potential, once deferred customer programs are resumed.

In parallel, SBO is accelerating its diversification across several high-growth markets. In additive manufacturing, SBO is adding seven new 3D metal printers in the US and the UK, with all becoming operational by September 2026, and is expanding its US additive manufacturing space by 50% to over 2,100 m². This is positioning SBO to capture the forecasted market growth from USD 1.5 billion in 2025 to USD 4.8 billion by 2030. Customer demand from space, aerospace, defense, semiconductors and energy is growing.

In geothermal energy, SBO's drilling motors were recently successfully deployed in a program targeting bottom-hole temperatures of 300–400°C, confirming the transferability of SBO's drilling technologies to this fast-growing market. In flow control, the high-performance alloy H720 is gaining commercial traction: following full NORSOK approval, an accelerated material qualification program is underway with a leading international subsea customer for critical applications in subsea flow control systems.

CEO Klaus Mader concludes: *"Energy security is gaining importance, and inventories as well as strategic reserves will be rebuilt. These structural drivers will continue to support demand. At the same time, the contribution from our strategic diversification is growing. The share of bookings from new business areas outside the oil and gas industry is approaching the 10% mark. This is driven by geothermal energy, 3D metal printing and new high-performance materials."*

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SBO's key performance indicators at a glance

	UNIT	1–6/2026	1–6/2025
Bookings	MEUR	235.3	216.9
Sales	MEUR	204.7	253.6
EBITDA (Earnings before interest, taxes, depreciation, and amortization)	MEUR	24.2	44.5
EBITDA margin	%	11.8	17.5
EBIT (Earnings before interest and taxes)	MEUR	6.9	28.6
EBIT margin	%	3.4	11.3
Profit before tax	MEUR	3.1	26.0
Profit after tax	MEUR	0.2	18.5
Cash flow from operating activities	MEUR	11.2	37.1
Free cash flow	MEUR	-13.3	18.4
Liquid funds as of 30.06.2026 / 31.12.2025	MEUR	254.8	281.5
Net debt as of 30.06.2026 / 31.12.2025	MEUR	100.1	78.1
Equity ratio as of 30.06.2026 / 31.12.2025	%	47.5	47.2
Headcount as of 30.06.2026 / 31.12.2025		1,572	1,539

Downloads:

Half-year report: https://www.sbo.at/en/investor-relations/reports-publications
SBO logo: https://www.sbo.at/en/media/sbo-brand
Executive Board photos: https://www.sbo.at/en/media/board-photos

About SBO

SBO AG is leading in the manufacture of high-alloy, non-magnetic steels, high-precision components and high-tech equipment for the energy sector and other industrial sectors. The global high-precision technology group, headquartered in Ternitz, Austria, operates worldwide at more than 20 locations with around 1,600 employees. The group delivers cutting-edge technologies backed by a highly innovative product portfolio and strong intellectual property. In its Precision Technology division, SBO specializes in high-precision metal components, ranging from complex steel parts to additive manufacturing solutions for industries requiring maximum accuracy and performance. In the Energy Equipment division, SBO provides high-tech equipment for directional drilling and well completion including high-precision flow control products. Designed for extreme conditions, these solutions perform in high-temperature and high-pressure environments, serving important industries including oil and gas, energy and other industrial sectors. SBO is listed in the leading index ATX of the Vienna Stock Exchange (ISIN AT0000946652). More information: www.sbo.at

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