

Press release

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SBO: trend reversal in bookings confirmed in Q1 despite challenging market environment

- Bookings increased to MEUR 117.6, up 18.5% compared to the previous quarter; Book to bill ratio at 1.2
- Sales of MEUR 98.5 at previous quarter's level, but 23.7% below Q1 2025
- EBITDA at MEUR 11.4 (Q1 2025: MEUR 26.4); EBIT at MEUR 2.7 (Q1 2025: MEUR 18.3)
- Strategy execution on track: Growing share of bookings from diversified business areas
- Market launch of the high-performance alloy H720 for flow control applications in subsea and beyond
- Net debt remains low at MEUR 82.8 (31 December 2025: MEUR 78.1) despite investments in diversification

In the first quarter of 2026, SBO AG, listed on the Vienna Stock Exchange's leading ATX index, continued to implement its long-term strategy. The focus was on the integration of 3T Additive Manufacturing Limited and the consolidation of European additive manufacturing activities under "SBO Additive Europe", the growth in geothermal, and expansion steps in Africa and Asia. In addition, SBO achieved technological advances, such as the market introduction of the high-performance alloy H720 for flow control applications, and made investments in manufacturing and service capacities.

The market environment initially showed positive momentum before the geopolitical crisis in the Middle East, beginning in late February, led to significant disruptions in the global oil and gas markets. The impact on logistics and supply chains caused increased uncertainty and significant price volatility in oil and gas. Two opposing trends shaped SBO's business development: While bookings increased significantly following the low bookings in the second half of 2025, signaling a turnaround, sales and earnings continued to reflect the low bookings of the second half of 2025 as well as deferred sales recognition due to the conflict in the Middle East. Accordingly, sales and earnings remained, as expected, at the level of Q4 2025.

Bookings rose to MEUR 117.6 in the first quarter of 2026 (Q1 2025: MEUR 108.3), an increase of 8.5% compared to the previous year and 18.5% compared to the previous quarter (Q4 2025: MEUR 99.2). The **order backlog** increased to MEUR 106.0 as of 31 March 2026 (31 December 2025: MEUR 89.5), a growth of 18.4%. **Sales** amounted to MEUR 98.5, slightly above the level of the previous quarter (Q4 2025: MEUR 97.1), but 23.7% below the high prior-year level (Q1 2025: MEUR 129.2). As in the previous quarter, this was a consequence of low bookings in the second half of 2025 and was in line with management's expectations.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to MEUR 11.4 (Q1 2025: MEUR 26.4), with an EBITDA margin of 11.6% (Q1 2025: 20.4%). Despite the challenging market environment, a double-digit EBITDA margin was achieved. Profit from operations (EBIT) declined to MEUR 2.7 (Q1 2025: MEUR 18.3), corresponding to an EBIT margin of 2.8% (Q1 2025: 14.2%). The decline was mainly attributable to low capacity utilization in the Precision Technology division and to logistics-related sales deferrals in the Energy Equipment division in the Middle East as well as to the ramp-up of the reline and distribution center in the US. In addition, the weaker US Dollar negatively impacted the result.

Profit before tax amounted to MEUR 0.8 (Q1 2025: MEUR 17.4), and profit after tax to MEUR 0.0. Earnings per share amounted to EUR 0.0 (Q1 2025: EUR 0.83).

GEO Klaus Mader says: *“In the first quarter of 2026, bookings improved significantly compared to the previous quarters. This continued the positive trend since the end of 2025. As expected, sales and earnings were similar to the previous quarter, but remained below the high prior-year level due to lower bookings in the second half of 2025.”*

Segments

SBO's business is divided into two segments: Precision Technology (PT) and Energy Equipment (EE). In the **Precision Technology division**, bookings increased in the first quarter of 2026, driven by higher demand for high-precision components and high-performance materials for the oil and gas industry. In addition, bookings for diversified applications in Additive Manufacturing (space, aerospace, defense, energy and other industries) and subsea flow control increased significantly. Sales amounted to MEUR 38.7 (Q1 2025: MEUR 57.6), significantly below the prior-year level due to low bookings in the second half of 2025. EBITDA reached MEUR 2.0 (Q1 2025: MEUR 14.1), resulting in an EBITDA margin of 5.0% (Q1 2025: 24.5%). EBIT amounted to MEUR -1.5 (Q1 2025: MEUR 11.1), with a corresponding EBIT margin of -3.9% (Q1 2025: 19.3%).

The **Energy Equipment division** continued the development of the previous quarter in the first quarter. Sales were 16.6% below the previous year at MEUR 59.8 (Q1 2025: MEUR 71.6). The effects of the conflict in the Middle East were noticeable in this division. Logistics restrictions made the deployment of products and services on site impossible in many cases. As a consequence, planned tool sales could also not be executed. In addition, earnings were impacted by the ramp-up of the reline and distribution center, whose positive contribution will be reflected in the coming quarters. The division's EBITDA amounted to MEUR 9.9 (Q1 2025: MEUR 13.5). The EBITDA margin was 16.6% (Q1 2025: 18.8%). EBIT amounted to MEUR 4.8 (Q1 2025: MEUR 8.5), with an EBIT margin of 8.0% (Q1 2025: 11.9%).

Excellent Balance Sheet

SBO continues to have an excellent balance sheet structure. **Equity** amounted to MEUR 433.2 as of 31 March 2026 (31 December 2025: MEUR 421.9), with the development of the USD (1 EUR = 1.1498 USD as of 31 March 2026, compared with 1.1750 USD as of 31 December 2025) resulting in an increase in the currency translation reserve of MEUR 11.3. This led to an equity ratio of 47.8% (31 December 2025: 47.2%).

Net debt amounted to MEUR 82.8 (31 December 2025: MEUR 78.1), and **gearing ratio** stood at 19.1% (31 December 2025: 18.5%). **Cash flow from operating activities** amounted to MEUR 6.3 (Q1 2025: MEUR 22.7). **Free cash flow** stood at MEUR -7.1 (Q1 2025: MEUR 13.3). **Cash and cash equivalents** totaled MEUR 277.4 as of the reporting date (31 December 2025: MEUR 281.5).

Outlook

The International Energy Agency (IEA) has revised its forecast for global oil demand in 2026 significantly downward due to geopolitical disruptions in the Middle East and the deteriorating global economy. It is clear that the duration of supply disruptions will largely depend on how quickly the military conflict allows the logistics disruptions to be resolved and the supply chains of the oilfield service industry in the region to normalize again. Considering these developments, market experts expect oil prices to remain above pre-conflict levels for the time being, which should support a viable and sustainable investment framework for the oil and gas industry.

Energy security has moved to the forefront of the strategic agenda, which is reflected in three structural drivers that underpin demand for SBO's products and services over the mid-to-long term: 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.

Some market experts expect a recovery in North American drilling activity in the coming months, since US onshore drilling in particular can be ramped up relatively quickly to at least partially offset supply shortfalls.

SBO recorded a positive trend in bookings in the first quarter of 2026, driven by a visible recovery in the Precision Technology division. Despite this encouraging start, considerable uncertainties remain from today's perspective regarding the pace of market recovery. The tense geopolitical market situation and the associated logistical difficulties in the Middle East may lead to customer restraint and sales deferrals at SBO. Therefore, SBO currently continues to expect a transition year with signs of recovery for the PT division. In the EE division, SBO sees geographic expansion opportunities from its broader international footprint including Asia, Latin America, Europe, and Sub-Saharan Africa, as well as operational growth opportunities, such as the relining and distribution center for drilling motors in the USA. Overall, SBO currently expects a recovery in the second half of the year.

The market's medium- to long-term fundamentals remain intact: The need for secure energy supply, the necessity of replenishing strategic and commercial reserves, and the increased geographic diversification of supply sources will provide sustained support for investment activity in the oil and gas industry. At the same time, SBO is capitalizing on growth opportunities in geothermal energy, carbon capture and storage (CCS), lithium and helium drilling, additive manufacturing, and flow control, thereby underscoring SBO's strategic direction. SBO is strongly positioned in these growth markets with its product portfolio and continues to drive diversification.

"The market environment remains volatile, particularly with regard to developments in the Middle East. With our global setup, we are well positioned to respond to regional shifts and to capture opportunities in different markets. We are managing the operating business through the cycle and continue to execute on our strategy. We drive the expansion of our additive manufacturing business in Europe and the US, while also further developing our activities in areas such as geothermal energy and carbon capture and storage. This accelerates our diversification strategy, creating the basis for further growth", says CEO Klaus Mader.

Overall, despite continued short-term uncertainties, SBO is well positioned to benefit from intact medium- to long-term market fundamentals as well as additional growth opportunities in new energy and industrial markets.

SBO's key performance indicators at a glance

	UNIT	1 – 3/2026	1 – 3/2025
Bookings	MEUR	117.6	108.3
Sales	MEUR	98.5	129.2
EBITDA (Earnings before interest, taxes, depreciation, and amortization)	MEUR	11.4	26.4
EBITDA margin	%	11.6	20.4
EBIT (Earnings before interest and taxes)	MEUR	2.7	18.3
EBIT margin	%	2.8	14.2
Profit before tax	MEUR	0.8	17.4
Profit after tax	MEUR	0.0	13.0
Cash flow from operating activities	MEUR	6.3	22.7
Free cash flow	MEUR	-7.1	13.3
Liquid funds as of 31.03.2026 / 31.12.2025	MEUR	277.4	281.5
Net debt as of 31.03.2026 / 31.12.2025	MEUR	82.8	78.1
Equity ratio as of 31.03.2026 / 31.12.2025	%	47.8	47.2
Headcount as of 31.03.2026 / 31.12.2025		1,533	1,539



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 1,500 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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