

SBO delivers resilient Q1 performance amid global uncertainty

- Sales at solid level of MEUR 129.2 despite macroeconomic instability
- EBITDA of MEUR 26.4, margin improved to 20.4%
- EBIT at MEUR 18.3 with a margin of 14.2%
- Profit after tax amounted to MEUR 13.0 or EUR 0.83 per share
- Free cash flow improved to MEUR 13.3 in the quarter
- Legal name change to “SBO AG” approved by AGM, underlining strategic realignment

»The year 2025 is experiencing a challenging business environment. Despite lower customer demand and increased market headwinds, SBO achieved solid results in the first quarter, driven by both divisions. While market uncertainty remains and global trade developments are difficult to predict, we manage the short-term dynamics and execute on our strategic objectives backed by our excellent financial foundation.«

KLAUS MADER, CEO OF SBO

	UNIT	1 – 3/2025	1 – 3/2024
Sales	MEUR	129.2	146.7
EBITDA (Earnings before interest, taxes, depreciation, and amortization)	MEUR	26.4	28.8
EBITDA margin	%	20.4	19.6
EBIT (Earnings before interest and taxes)	MEUR	18.3	20.6
EBIT margin	%	14.2	14.0
Profit before tax	MEUR	17.4	19.2
Profit after tax	MEUR	13.0	15.0
Cash flow from operating activities	MEUR	22.7	9.7
Free cash flow	MEUR	13.3	2.5
Liquid funds as of 31 March 2025 / 31 December 2024	MEUR	323.0	314.7
Net debt as of 31 March 2025 / 31 December 2024	MEUR	47.1	56.0
Equity ratio as of 31 March 2025 / 31 December 2024	%	49.8	50.0
Headcount as of 31 March 2025 / 31 December 2024		1,591	1,631

BUSINESS HIGHLIGHTS IN Q1 2025

In Q1 2025, SBO achieved several key milestones within its downhole drilling tools portfolio that underscore the commitment to **technology leadership** and customer-focused innovation:

Successful commercialization of upgraded technology enabling U-turn drilling: SBO has successfully introduced a newly developed “High Dogleg RSS Tool” providing U-turn drilling capabilities. The upgraded RSS tool enables new drilling opportunities thanks to tighter borehole trajectories and expanded directional control, significantly enhancing operational flexibility in complex well paths.

Bi-directional communication between downhole systems: We established real-time, two-way communication between our Rotary Steerable System (RSS) and Measurement While Drilling (MWD) components. This integration allows our customers to enhance steering precision and enables faster, data-driven decision-making at the rig site.

Advanced motor sensor development: A new generation high-performance motor equipped with an integrated data sensor successfully completed its first field trials during the quarter. The tool demonstrated excellent reliability and delivered a comprehensive range of downhole data. The commercial release is scheduled for Q2 2025.

These advancements strengthen our competitive position and support our broader strategy to deliver smarter, faster, and more reliable drilling solutions.

SBO also made progress in expanding its presence beyond traditional oil and gas markets, reinforcing its long-term **diversification strategy**:

Geothermal market entry in Asia Pacific: A targeted sales initiative in the Asia Pacific region led to first orders from geothermal operators in New Zealand and Indonesia.

Carbon Capture & Storage: Field operations are underway on a carbon capture project in Pennsylvania, marking another step forward in our range of technologies for low-carbon applications in the US market. This project highlights our evolving role in the energy transition and ability to support emissions reduction applications.

Global brand visibility through strategic events: We strengthened our marketing presence throughout the quarter, participating in key global energy exhibitions, including Geotherm (Germany), IADC (Austria), EGYPTES (Egypt), EXA (Australia), CIPPE (China), IPTC (Malaysia), and SPE/IADC (Norway). These events provided valuable platforms to showcase our diversified portfolio and strengthen customer engagement across emerging and established markets.

These developments support SBO's diversification roadmap and position us to capitalize on long-term sustainability and energy transition trends.

MARKET AND BUSINESS DEVELOPMENTS Q1 2025

Market environment

Oil and Gas

In the first quarter of 2025, the oilfield service industry faced a complex landscape shaped by declining oil prices, trade tensions, and shifting spending patterns in the industry. A highly volatile oil price, an anticipated increase in costs across supply chains due to tariffs and a lack of clarity given the dynamic trade policy environment in the past few months have led to a further reduction in industry spending. However, long-term fundamentals remain intact.

Global oil demand amounted to 102.5 million barrels per day (mb/d) for Q1 2025, reflecting +1.0 mb/d growth compared with the same period last year. For the remainder of 2025, expected growth has been revised downward to +0.7 mb/d. This reduction reflects the impact of continued trade tensions on macroeconomic sentiment. For the full year 2025, global demand is expected to reach 103.9 mb/d.¹

The global oil and gas **rig count** rose modestly from 1,660 rigs at year-end 2024 to 1,685 rigs at the end of March 2025, well below the March 2024 level (1,793 rigs). Structural declines in the US market continue to weigh on the global rig

count, with a cumulative 25% reduction in US rigs since early 2023.²

Oil prices remain under pressure. After the significant price corrections in late 2024, Brent crude averaged USD 73.40/barrel and WTI USD 69.80/barrel in Q1 2025. Global oil prices fell by around USD 10/barrel in March and early April - to their lowest levels in more than four years to below USD 60/barrel - as risk sentiment deteriorated in the wake of escalating US tariffs and rising recession fears. The decision by some OPEC+ members to accelerate the unwinding of extra voluntary production cuts fueled the bearish sentiment.³

Following a 2.8% growth in **global gas demand** during 2024, demand growth is forecast to slow to around 1.5% in 2025, given the increasingly uncertain macroeconomic outlook. Tighter market conditions are expected to weigh on global gas demand growth, particularly in price-sensitive import markets. **LNG supply** is forecast to grow by 5% (or 27 bcm) in 2025.⁴

The Henry Hub **gas price** started the year at USD 3.66/MMBtu and ended the first quarter at USD 4.12/MMBtu.⁵

¹ International Energy Agency (IEA), Oil Market Report, May 2025

² Baker Hughes Rig Count

³ Bloomberg, CO1 Brent Crude and CL1 WTI Crude

⁴ International Energy Agency (IEA), Global Gas Market Report Q2-2025

⁵ Bloomberg, NG1 Natural Gas

Energy Transition

Spending on **geothermal energy** is further on the rise in 2025, as countries seek sustainable alternatives to fossil fuels and enhance their energy security. Geothermal energy will serve as a baseload source in the energy mix of the future. It is being used for both electricity and heat generation. The development of enhanced geothermal systems allows access to deeper and hotter resources previously unreachable by traditional drilling methods. This has driven market growth in recent years leading to an overall market of USD 70 billion in 2024.⁶ The global geothermal power capacity reached 15.8 GW in 2024 and is expected to grow to 20.8 GW in 2030, underpinned by policy support and infrastructure investment.⁷

Industrial Sectors

3D metal printing, a foundational technology in additive manufacturing, has seen adoption across industries with its versatility, design flexibility, and capability to produce intricate and complex structures. The metal additive manufacturing services market expanded to USD 1.1 billion in 2024 with North America representing the largest region in the metal additive manufacturing market, while Asia Pacific exhibited the highest growth rate. Market demand is expected to grow by more than 20% annually until 2030.⁸

⁶ Fortune Business Insights, February 2025

⁷ Statista.com

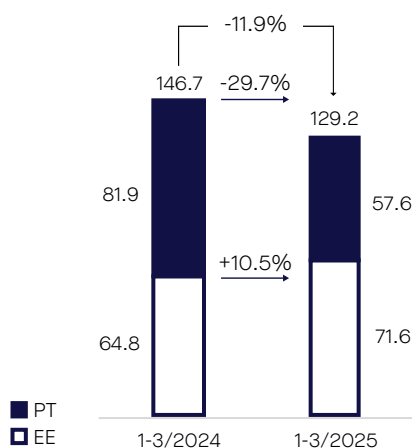
⁸ VoxelMatters 2024

Business development

In the first quarter of 2025, SBO's performance was resilient with mixed dynamics across its divisions. Overall, sales were 11.9% lower compared to the same period of the previous year. Profitability remained at a high level, supported by improved performance in the Energy Equipment (EE) division, while Precision Technology (PT) reported lower sales driven earnings.

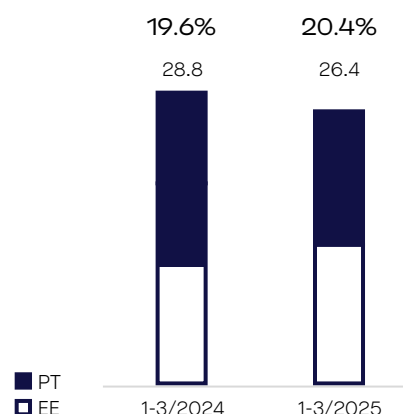
Bookings of MEUR 108.3 remained below the previous year (1-3/2024: MEUR 118.6) and slightly below Q4 2024 (MEUR 110.8). **Sales** reached MEUR 129.2, (1-3/2024: MEUR 146.7), with a 29.7% sales decline in Precision Technology (PT) being partly offset by a 10.5% growth in Energy Equipment (EE). The Group's **order backlog** amounted to MEUR 124.1 at the end of March (31 December 2024: MEUR 141.8).

SALES BY DIVISION
in MEUR



Earnings before interest, taxes, depreciation and amortization (EBITDA) decreased to MEUR 26.4 (1-3/2024: MEUR 28.8), as lower capacity utilization in the PT division was only partially offset by higher earnings in EE. **EBITDA margin** increased to 20.4% (1-3/2024: 19.6%). **Profit from operations (EBIT)** decreased to MEUR 18.3 (1-3/2024: MEUR 20.6), with an increased **EBIT margin** of 14.2% (1-3/2024: 14.0%).

EBITDA
in MEUR | as a % of sales



Profit before tax totaled MEUR 17.4 compared to MEUR 19.2 last year. **Profit after tax** reached MEUR 13.0 (1-3/2024: MEUR 15.0), resulting in EUR 0.83 **earnings per share** (1-3/2024: EUR 0.95).

Segments

The SBO Group's business is divided into two segments: Precision Technology (PT) and Energy Equipment (EE).

The **Precision Technology** division continued to operate in a challenging market environment, impacted by trade tensions and related lack of visibility in Q1 2025. Sales amounted to MEUR 57.6 (1-3/2024: MEUR 81.9), as customer demand remained constrained. SBO responded by further adjusting capacity and cost structures. EBITDA in PT amounted to MEUR 14.1, down compared to last year's period (1-3/2024: MEUR 20.3) but up quarter-on-quarter (10-12/2024: MEUR 13.6), supported by positive foreign exchange effects. EBITDA margin remained high at 24.5%, broadly in line with Q1 2024 (24.8%). EBIT amounted to MEUR 11.1, reflecting an EBIT margin of 19.3% (1-3/2024: MEUR 17.8 and 21.7%).

The **Energy Equipment** division's sales increased by 10.5% to MEUR 71.6 (1-3/2024: MEUR 64.8), driven by higher sales in the US as well as the ongoing expansion into international growth markets. EBITDA of MEUR 13.5 was significantly above Q1 2024 (MEUR 9.2), reflecting an EBITDA margin expansion to 18.8% in Q1 (1-3/2024: 14.2%), mostly due to higher sales and a more favorable product mix. EBIT increased to MEUR 8.5, up from MEUR 3.6 in the same period of the previous year, the EBIT margin improved to 11.9% (1-3/2024: 5.6%).

Cash Flow

Operating cash flow significantly increased to MEUR 22.7 (1-3/2024: MEUR 9.7) and also **free cash flow** rose substantially to MEUR 13.3 (1-3/2024: MEUR 2.5), mainly due to lower working capital requirements. **Capital expenditure for property, plant and equipment and intangible assets** (excluding right of use assets) totalled MEUR 10.1, including investments in the facility expansions in the Middle East and Vietnam.

Key Balance Sheet Figures

SBO maintained its excellent financial position in the first quarter of 2025. The company's **cash and cash equivalents** increased further to MEUR 323.0 as of 31 March 2025 (31 December 2024: MEUR 314.7), almost entirely driven by the free cash flow. **Equity** stood at MEUR 484.6 as of 31 March 2025 (31 December 2024: MEUR 492.7), slightly impacted by currency translation effects, resulting in an **equity ratio** of 49.8% (31 December 2024: 50.0%).

Net debt was reduced to MEUR 47.1 (31 December 2024: MEUR 56.0), further improving the company's **gearing** to 9.7% (31 December 2024: 11.4%).

SBO's high cash position and financial stability provide a solid foundation for the execution of its growth strategy. The company remains committed to allocating capital prudently to drive innovation, support diversification and pursue long-term value creation.

Outlook

The market environment for SBO remains challenging heading into the second quarter of 2025. Low oil prices, global trade tensions and continued tariff uncertainty lead to reduced spending weighing on demand in several regions. Key customers, particularly in the Precision Technology division, have revised their capital expenditure for 2025 downward, notably in North America.

In the **Precision Technology** division, the market uncertainty has prolonged the “wait-and-see” approach of customers resulting in lower bookings. SBO is actively managing this environment by continuing to adjust its production capacity and cost base and by mitigating the risk of tariffs where applicable. At the same time, SBO stays focused on innovation-driven diversification.

The **Energy Equipment** division sees an increasingly cautious market sentiment in the US, given the low oil prices. A further reduction in US rig count and related drilling activity for the coming months is anticipated by the industry. SBO stays focused on navigating dynamic demand fluctuations by driving operational efficiency measures while continuing its expansion in international growth markets. Recent expansion steps – including the new facility in Saudi Arabia inaugurated in April – are important milestones in SBO’s geographic growth strategy. These investments will further strengthen SBO’s position in key markets such as the Middle East and Asia.

SBO is executing on its strategy. This includes diversification into other industrial sectors, market expansion across high-growth regions, continuous investment in technology leadership and a strong emphasis on operational excellence. The new corporate identity introduced in March – now rolled out under the established short form “SBO” – underlines this forward-looking orientation. The Annual General Meeting held in April approved the legal name change to SBO AG, which is expected to become legally effective upon entry into the commercial register by the end of the second quarter.

Despite short-term uncertainties, SBO remains confident thanks to the positive long-term outlook for the global energy sector. Growing demand, increasing attention to energy security, and ongoing energy transition driven by sustainability requirements continue to create new opportunities. In addition, applications such as industrial flow control and additive manufacturing offer long-term growth potential. SBO is excellently positioned to seize these with its resilient business model, technological expertise and strong balance sheet with a high cash position.

ABOUT SBO

SBO at a glance

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) 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 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 indus-

tries 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

The SBO share

The share of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft has been listed in the Prime Market of the Vienna Stock Exchange for over 20 years and is part of the ATX, the leading Austrian index (ISIN AT0000946652). In total, 16,000,000 par value shares with a nominal value of EUR 1.00 each have been

issued. The share started into the trading year at a price of EUR 29.80 and closed at EUR 35.45 on 31 March 2025. Market capitalization as of 31 March 2025 was MEUR 567 and approximately 67% of the shares were in free float at that date.

Financial calendar 2025

21 August 2025

Half-year results 2025

20 November 2025

Q3 results 2025

Consolidated profit and loss statement

In TEUR	3 months period ended	
	31.03.2025	31.03.2024
Sales	129,201	146,725
Cost of goods sold	-89,427	-103,135
Gross profit	39,774	43,590
Selling expenses	-9,610	-8,647
General and administrative expenses	-12,553	-11,637
Other operating expenses	-7,651	-6,416
Other operating income	8,334	3,716
Profit from operations	18,294	20,606
Interest income	2,785	1,030
Interest expenses	-3,704	-2,466
Financial result	-919	-1,436
Profit before tax	17,375	19,170
Income taxes	-4,343	-4,215
Profit after tax	13,032	14,955
Average number of shares outstanding	15,759,465	15,759,465
Earnings per share in EUR (basic = diluted)	0.83	0.95

Consolidated balance sheet

ASSETS

In TEUR	31.03.2025	31.12.2024
Current assets		
Cash and cash equivalents	323,019	314,686
Trade receivables	123,669	131,444
Other receivables and other assets	15,704	14,136
Inventories	180,388	188,668
Total current assets	642,780	648,934
Non-current assets		
Property, plant and equipment	145,598	145,061
Goodwill	141,260	146,809
Other intangible assets	13,914	14,496
Long-term receivables and assets	2,955	2,737
Deferred tax assets	26,850	28,072
Total non-current assets	330,577	337,175
TOTAL ASSETS	973,357	986,109

LIABILITIES

In TEUR	31.03.2025	31.12.2024
Current liabilities		
Liabilities to banks	42,278	42,787
Current portion of long-term loans	29,786	29,786
Lease liabilities	2,930	2,776
Trade payables	27,825	32,131
Income tax payable	12,660	9,867
Other liabilities	50,144	53,662
Other provisions	4,172	4,237
Total current liabilities	169,795	175,246
Non-current liabilities		
Long-term loans	298,071	298,071
Lease liabilities	9,356	8,273
Provisions for employee benefits	6,244	6,174
Other liabilities	4,859	4,975
Deferred tax liabilities	395	672
Total non-current liabilities	318,925	318,165
Equity		
Share capital	15,759	15,759
Capital reserve	59,526	59,526
Legal reserve	785	785
Other reserves	19	19
Currency translation reserve	42,371	63,464
Retained earnings	366,177	353,145
Total equity	484,637	492,698
TOTAL LIABILITIES AND EQUITY	973,357	986,109

Consolidated cash flow statement

In TEUR	3 months period ended	
	31.03.2025	31.03.2024
OPERATING ACTIVITIES		
Profit before tax	17,375	19,170
Depreciation, amortization and impairments	8,096	8,195
Other expenses and income	-1,879	-3,220
Cash flow from profit	23,592	24,145
Change in working capital	-900	-14,463
Cash flow from operating activities	22,692	9,682
INVESTING ACTIVITIES		
Expenditures for property, plant and equipment and intangible assets	-10,059	-7,751
Other activities	658	539
Cash flow from investing activities	-9,401	-7,212
Free cash flow	13,291	2,470
FINANCING ACTIVITIES		
Change in financial liabilities	-722	1,502
Cash flow from financing activities	-722	1,502
Change in cash and cash equivalents	12,569	3,972
Cash and cash equivalents at the beginning of the period	314,686	162,351
Effects of exchange rate changes on cash and cash equivalents	-4,236	2,352
Cash and cash equivalents at the end of the period	323,019	168,675

Segment reporting

1 – 3/2025

In TEUR	Precision Technology*	Energy Equipment*	SBO-Holding & Consolidation	Group
External sales	57,552	71,649	0	129,201
Intercompany sales	20,123	8,887	-29,010	0
Total sales	77,675	80,536	-29,010	129,201
EBITDA	14,074	13,493	-1,177	26,390
Profit / loss from operations (EBIT)	11,085	8,495	-1,286	18,294

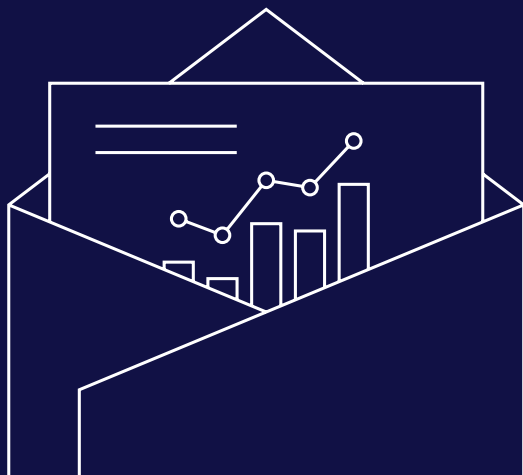
* The name of the Advanced Manufacturing and Services segment was changed to Precision Technology. The name of the Oilfield Equipment segment was changed to Energy Equipment.

1 – 3/2024

In TEUR	Precision Technology*	Energy Equipment*	SBO-Holding & Consolidation	Group
External sales	81,907	64,818	0	146,725
Intercompany sales	33,214	8,373	-41,587	0
Total sales	115,121	73,191	-41,587	146,725
EBITDA	20,301	9,229	-729	28,801
Profit / loss from operations (EBIT)	17,806	3,642	-842	20,606

* The name of the Advanced Manufacturing and Services segment was changed to Precision Technology. The name of the Oilfield Equipment segment was changed to Energy Equipment.

Investor News



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Contact

Monika Bell
Head of Investor Relations

+43 2630 315-253

investor.relations@sbo.at

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DISCLAIMER:

Note on the quarterly report:

This quarterly financial report is also available in the German language. In the event of discrepancies, the German version shall prevail.

FORWARD-LOOKING STATEMENTS AND FORECASTS:

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