

EANS-Adhoc: Schoeller-Bleckmann Oilfield Equipment AG / Schoeller-Bleckmann Oilfield Equipment AG: Another record year - Proposed dividend EUR 1.50 after EUR 1.20

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annual result

Ternitz/Vienna, 20 March 2013. Schoeller-Bleckmann Oilfield Equipment AG (SBO), listed on the ATX market of the Vienna Stock Exchange, posted double digit sales and profit increases for the third time in a row in fiscal 2012. Since the 2009 crisis year, SBO has thus doubled sales and more than quadrupled its operating income. The Executive Board proposes to pay a dividend of EUR 1.50 per share for 2012 (following EUR 1.20).

Consolidated sales of MEUR 512.1 in 2012 improved by 25.3 % from 2011 (MEUR 408.6). Earnings before interest, taxes, depreciation and amortisation (EBITDA) arrived at MEUR 159.9, up 27.9 % from last year's MEUR 125.0. Earnings before interest and taxes (EBIT) were MEUR 120.3, up 33.3 % from MEUR 90.2 in 2011. The fiscal 2012 EBITDA margin grew from 30.6 % to 31.2 %, and the EBIT margin from 22.1 % to 23.5 %. Annual profit after tax arrived at MEUR 76.2, up 42.7 % from MEUR 53.4 in 2011. Total bookings amounting to MEUR 471.4 (following MEUR 460.5 in 2011) reached a very high level.

Due to the new record result, the Executive Board will propose to the forthcoming Annual General Meeting to increase the dividend to EUR 1.50 (following EUR 1.20 last year) per share. Based on the current share price this represents a dividend yield of approximately 2 %.

"In 2012 SBO fully profited from the growth of the oilfield service industry", says Gerald Grohmann, CEO of SBO, explaining the new record result. "It was mainly the demand for high-tech equipment used for complex applications - the core business of SBO - that was rising sharply, as newly discovered oil and gas fields are located in deeper and more challenging rock formations, involving constantly increasing technological complexity. Further drivers of growth for SBO were deepwater and ultra-deepwater wells and the dynamic rise in the number of horizontal shale gas and shale oil wells."

Market development 2012

Owing to continued growth in demand for oil and gas the oilfield service industry was largely unaffected by the global economic slowdown in 2012. According to the International Energy Agency (IEA) average global demand for oil in 2012 amounted to 89.8 million barrels per day, increasing by 1 million barrels per day (approx. 1.1 %) from the level of 2011. The primary drivers of this development were the emerging markets.

The 2012 average rig count, the parameter of globally active drilling rigs, was 3518 units, representing an increase of 1.5 % from the average number of operating rigs of 3465 units in 2011.

Business performance 2012

Due to exceptionally strong order volumes SBO's capacity utilisation rates were particularly high in the first half of the year. It was mainly the production company located in Ternitz/Austria that stood out by its operating performance. Peaks in orders were accommodated both by hiring additional personnel mainly in Austria and the US and working additional shifts and overtime.

All product groups of SBO benefited from the generally sound industry cycle in 2012, with the product group of high-precision components delivering particularly encouraging results.

Capital expenditure

Based on its long-term growth perspectives, SBO's total additions to tangible fixed assets in fiscal 2012 amounted to MEUR 53.1 (following MEUR 36.8 in the year before), with a focus on expanding the production site in Ternitz/Austria, where currently a new production facility is built for a total of EUR 54 million. Planning and foundation works were started in the first quarter of 2012. The building shell is scheduled for completion in mid-2013. One year later, in mid-2014, the expansion project in Ternitz should be completed. Further capital was spent for expansions of the company's US sites.

Moreover, the drilling motor fleet was extended, and the number of downhole circulation tools was increased to meet growing demand.

The SBO share

In October 2012 the SBO share reached its new all-time high of EUR 83.15, at the same time representing the annual high of the ATX-listed share. Over the year, the share developed positively and climbed by 15.2 % to EUR 79.29 per share at the end of 2012.

Outlook 2013

According to the International Energy Agency (IEA) the moderate economic development in the Western industrialised nations will have only little impact on the rising global consumption of energy. As in the years before, the expected growth of oil demand in 2013 will be driven by the emerging markets.

What SBO has recently observed is that some customers try to optimise their capital expenditures and inventories as they tend to invest more in repairing tools than purchasing new equipment. This behaviour was also reflected in the bookings SBO received at the beginning of 2013. In the past such actions taken by customers always were of a transitory nature.

As the fundamental data have remained intact SBO expects to see a continued positive industry environment. Market analyses assume that global exploration and production spending will grow by just under 6.6 % to USD 644 billion in 2012 (following USD 604 billion in 2012). An oil price above USD 100 per barrel (Brent) and a still low OPEC-spare capacity of around 3 mb/d contribute to a favourable spending climate. Hence, new projects for developing conventional and unconventional oil and gas fields and spending for improved oil recovery from existing oil fields will further drive demand for high-precision equipment.

SBO is well prepared for each market environment. Despite its ongoing spending for growth the company is based on a sound balance sheet, low debt and attractive cash-flow. The capital investment programme will be a key component for SBO to secure, for the years ahead, global market leadership in the business units in which SBO operates and to ensure long-term growth of SBO.

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Key financial figures:	2012	2011	Change in %
Sales	MEUR 512.1	408.6	+ 25.3
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	MEUR 159.9	125.0	+ 27.9
EBITDA margin	% 31.2	30.6	-
Earnings before interest and taxes (EBIT)	MEUR 120.3	90.2	+ 33.3
EBIT margin	% 23.5	22.1	-
Profit before tax	MEUR 110.1	78.2	+ 40.8
Profit after tax	MEUR 76.2	53.4	+ 42.7
Cash-flow from profit	MEUR 118.4	91.7	+ 29.2
Earnings per share	EUR 4.76	3.33	+ 42.7
Dividend per share	EUR 1.50*	1.20	+ 25.0
Headcount	No. 1591	1459	+ 9.0

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* proposed

SBO financial calendar 2013

25 April 2013	Annual General Meeting
8 May 2013	Ex-dividend day, dividend payment date
23 May 2013	Result Q1 / 2013
22 August 2012	Result H1 / 2013
21 November 2012	Result Q3 / 2013

end of ad-hoc-announcement

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Schoeller-Bleckmann Oilfield Equipment AG is the global market leader in high-precision components for the oilfield service industry. The business focus is on non-magnetic drillstring components for directional drilling. As of 31 December 2012, SBO has employed a workforce of 1591 worldwide (31 December 2011: 1459), thereof 460 in Ternitz/Austria and 651 in North America (including Mexico).

Further inquiry note:
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