Petro Welt Technologies AG
energy in motion

INFORMATION FOR THE MEDIA

Petro Welt Technologies AG lifts profitability in the first half of 2016:
Revenues in Rouble increased due to effective utilization of production capacities and value added services, margins and earnings rise due to reduced costs and strict financial management

- Sales revenues in rouble increased by 2%, in EUR they declined by 16.4% despite Rouble depreciation of 21.9% yoy on average year basis
- EBITDA margin improved from 24.6% to 28.0%
- Consolidated net result raised by 16.5% to EUR 14.9 million
- Equity base increased by 30.1% – equity ratio at 53.2%
- Strong liquidity position: managerial cash position grew by 66% on the annual basis to EUR 67.1 million.

in EUR million	HY1 2016	HY1 2015	Change
Sales revenues	140.8	168.5	(16.4)%
EBIT	18.7	19.3	(3.1)%
EBIT margin	13.2%	11.4%	
Net result	14.9	12.8	+16.5%
Earnings per share	0.31	0.26	
Equity	189.3	145.5[1)]	+30.1%
Operating cash flow	25.1	45.3	(44.7)%
Employees	3,192	3,334	(4.3)%

[1)] as at 31 December 2015

Vienna/Moscow, August 26th, 2016

In the first six months of 2016 the Petro Welt Technologies AG, Vienna (formerly C.A.T oil AG, change of name at August 23, 2016) continued the sound development of its business operations despite the trouble environment in the industry: The revenues in Russian Roubles increased by 2% compared to the same period of previous year. This is attributable to the rise in share of multi-stage fracturing operations and to the geographical expansion of operations in Siberia and southern Orenburg.

Management efforts which aimed to optimize cost of sales, administrative and financial expenses deployed the dynamics of profit before tax in positive direction in EUR terms which increased by 2.9% despite the continuing significant Rouble devaluation. Profit before tax reached EUR 18.7 million in the first half of 2016 after EUR 18.1 million in the same period of 2015. Net profit demonstrated more considerable growth due to the decrease of effective tax rate from 29% to 20%.

"External factors and the price pressure from major oil companies were tough, but we managed to maintain our good market position and started with geographical expansion and diversification. Thanks to our cost control measures and our endeavour to improve efficiency wherever we can we increased our EBITDA margin significantly", comments Yury Semenov, CEO of Petro Welt Technologies AG, the result of the first half of 2016.

The EBITDA margin improved to 28.0% in the first half of 2016, compared to 24.6% in the prior-year period. This was also due to the higher gross profit margin which achieved 19.2% in HY1 2016 compared to 16.9% in HY1 2015.

The overall change in cash and cash equivalents totalled EUR 37.7 million. The managerial cash position which is calculated as the sum of cash and cash equivalents and bank deposits increased by 66% from EUR 40.3 million at the beginning of the reporting period to EUR 67.1 million as at June 30, 2016.

In the first half of 2016, total assets rose by 18.1% to EUR 355.9 million compared to the end of 2015. Equity increased by 30.1% to EUR 189.3 million at the end of the reporting period. As a result the equity ratio increased and reached a level of 53.2% on the reporting date of June 30, 2016 compared to 48.3% as at December 31, 2015.

Confident outlook for 2016

Analysts forecast oil prices at a range of US-Dollar 50.0–60.0 per barrel till the end of 2016, with annual growth rates of oil and gas production at a level of 2%. However, the relatively low selling price and its volatility are forcing major oil companies to limit investment in the development of wells.

For the oil service business, this results in continuing pressure on its prices. However, one positive factor at the present time is the consequence of the investment backlog since 2014, which should stimulate the need for applying different methods to increase oil production. In this regard, the strong market position of Petro Welt Technologies AG should positively influence the company’s drilling volumes.

The management anticipates the sales revenue for 2016 to reach around EUR 293 million and hopes to keep the improved EBIT margin compared to the previous year at the range of 12–14%. This could permit to outperform last year's operational result which is expected to reach EUR 38–40 million in 2016.

The full report on the first six months of 2016 is available for download on our corporate website at www.catoilag.com.

Contact: Scholdan & Company
+43-1-513 23 88-0
presse@catoilag.com
ir@catoilag.com