

PRESS RELEASE

Results H1 2017: Petro Welt Technologies AG with perceptible increase of sales revenues and net profit

- Sales revenues in euros increased by 24.8% to EUR 175.7 million
- EBITDA rose to EUR 41.3 million (+4.7%)
- Group result increased by 12.1% to EUR 16.7 million
- Equity base stable at 231.7 million – equity ratio at 55.4%.

Vienna, August 22, 2017

Economic environment

The overall economic environment in Russia was relatively positive and saw a return to comfortable oil prices and an upward trend in the Russian rouble. The second quarter of 2017 was characterized by a slight downturn in oil prices and a robust appreciation of Russian national currency. The average exchange rate of 62.72 roubles per euro for the first six months of 2017 was down 24% on the prior-year period. Brent crude oil was sold at a price of USD 47.92 per barrel. Oil production continued to grow by 1.8% in H1 2017. The decline in inflation to 4.4% combined with stabilization of overall demand led the recovery in economic activity. According to Rosstat's preliminary estimation, GDP grew by 2.5% in H1 2017 despite the sanctions regime still in place.

Net profit

In the first half of 2017, consolidated revenues in euros showed a 24.8% increase compared to the prior-year period.

The 10.5% increase in revenues generated by the Well Services segment in euros to EUR 88.3 million in the period under review is primarily due to the successful fulfillment of the production program. The share of multi-stage fracturing operations also rose.

Revenue generated by the Drilling, Sidetracking and IPM segment in euros rose by 43.5% to EUR 87.4 million in the first six months of 2017. The average revenue per job in euros was up by 29.1%. The 11.0% increase in the job count had a positive effect on the segment's results.

At EUR 19.1 million, profit before tax was 2.6% higher than in the prior-year period (H1 2016: EUR 18.7 million). Net profit of EUR 16.7 million increased around 12.1% in comparison to the H1 2016 figure (EUR 14.9 million) due to higher finance income and the lower tax expense of EUR 2.3 million (H1 2016: EUR 3.7 million).

The EBITDA margin decreased to 23.5% during the period under review, compared to 28.0% in the prior-year period. The gross profit margin declined due to unchanged gross profit but higher sales revenues (16.4% in the first six month of 2017 compared to 19.2% in the previous year). The higher cost of sales reduced cash flows from operating activities to EUR 13.9 million (H1 2016: EUR 25.1 million). The liquidity position, which is calculated as the sum of cash and cash equivalents and bank deposits, increased from EUR 113.7 million as of December 31, 2016 to EUR 116.4 million as of June 30, 2017.

Balance sheet

As of June 30, 2017, total assets showed a slight decrease of 0.7% to EUR 418.0 million compared to the end of 2016. The most significant contribution to this development was the decrease in non-current assets, which was attributable to the decline in property, plants and equipment. Equity decreased slightly by 0.7% to EUR 231.7 million at the end of the reporting period. As a result, the equity ratio also was stable, reaching a level of 55.4% as of the reporting date of June 30, 2017, compared to 55.5% as of December 31, 2016.

Events after the balance sheet date

Petro Welt Technologies AG and CARBO Ceramics Inc., a global technology company that provides products and services to the oil and gas and industrial markets, signed a Share Purchase Agreement for the acquisition of all the shares of CARBO Ceramics Cyprus Limited, which owns a proppant manufacturing facility in Kopeysk, Russia, at a purchase price of USD 22,000 thousand at the end of July 2017. Both parties intend to close the transaction during the third quarter of 2017, subject to approval by the Russian Federal Antimonopoly Service.

The H1/2017 Report of Petro Welt Technologies AG is available for download on our corporate website at www.pewete.com

Key figures		H1 2017	H1 2016	Change
Sales revenues	in EUR million	175.7	140.8	24.8%
EBITDA	in EUR million	41.3	39.4	4.7%
EBIT	in EUR million	16.7	18.7	-10.7%
EBITDA margin		23.5%	28.0%	-
EBIT margin		9.5%	13.2%	-
Group result	in EUR million	16.7	14.9	12.1%
Earnings per share	in EUR	0.34	0.31	
Equity	in EUR million	231.7	233.3	-0.7%
Operating cash flow	In EUR million	13.9	25.1	-44.6%
Employees (average)		3.392	3.303	2.7%

Contact:

Dirk Moser-Delarami (Grayling Austria GmbH)
IR contact
T: +43 1 524 4300 34 | M: +43 664 605 08 801
dirk.moser-delarami@grayling.com