

PRESS RELEASE

Results 2017: Petro Welt Technologies AG posts strong increases in both sales revenues and consolidated net result

- Sales revenues increased by 3.0% in RUB and by 16.0% in EUR.
- EBITDA rose by 2.0% from EUR 81.5 million in 2016 to EUR 83.1 million in 2017.
- The consolidated net result increased by 21.6% to EUR 31.0 million.
- The equity base rose by 3.7%, and the equity ratio is 55.2%.
- CARBO Ceramics, the proppant manufacturer acquired in 2017, contributes to both revenues and net profit.

Vienna, 24 April 2018

In 2017, Petro Welt Technologies AG, Vienna (which is listed on the Frankfurt Stock Exchange), significantly improved sales revenues and the net result. Measured in Russian rubles, total Group revenues rose by 3.0% in the fiscal year 2017. This revenue increase was made possible mostly by the revenue growth per job in drilling, sidetracking and integrated project management (IPM) as well as by a record number of jobs in fracturing. Revenues in the Group reporting currency, the euro, rose by 16.0% to EUR 353.0 million, up from EUR 304.4 million in the previous year.

Increased EBITDA of EUR 83.1 million in 2017 (2016: EUR 81.5 million) kept the cash flow from operating activities (EUR 77.7 million) at a level comparable to the previous year (EUR 78.4 million). However, the EBITDA margin decreased from 26.8% in 2016 to 23.5% in 2017. The operating result, which is reported as earnings before interest and taxes (EBIT), declined by 7.5% to EUR 36.8 million (2016: EUR 39.7 million) due to the change in revenues relative to the actual cost of sales and higher administrative expenses.

The slightly negative development of the cash flow from operating activities is related to the lower inflow of working capital. Cash flows from investing activities rose to EUR 104.8 million. Mostly, this indicator was affected by the addition to cash deposits (EUR 73.3 million) and the purchase of equipment (EUR 36.1 million). The acquisition of the CARBO Ceramics production facility contributed EUR 17.9 million on investment expenditures.

The cost of sales was in the planned range, closely tracking the growth of revenue, which boosted gross profits by 11.1% compared with 2016. Thanks to the rise in its financial income as well as its efficient risk management, the Group posted spectacular net profit growth of 21.6%.

Equity rose by 3.7% from EUR 233.3 million in 2016 to EUR 242.0 million in 2017, mainly due to the increase in retained earnings of 14.0%, from EUR 220.9 million in 2016 to EUR 251.9 million in 2017. The non-current assets of Petro Welt Technologies AG decreased by 6.1%. At the end of 2017, total net debt was EUR 25.4 million, which corresponds to a net debt/EBITDA ratio of 0.31 (including bank deposits in the overall liquidity position).

Acquisition of CARBO Ceramics (Eurasia) LLC

The acquisition of CARBO Ceramics (Eurasia) LLC, which was closed in September 2017, will make a significant beneficial contribution to Petro Welt Technologies' growth strategy. CARBO Ceramics (Eurasia) LLC, which has been rebranded "LLC WELLPROP (Russia)" operates a proppant manufacturing facility in Kopeysk, Russia. The manufactured products have a very good reputation among hydrofracking companies and are well received by oil and gas producers.

In connection with this acquisition, Yury Semenov, CEO of Petro Welt Technologies AG, stated: "The company is evaluating its options to increase the volume of proppant production for both internal and external purposes."

Outlook for 2018

The positive development of the company's key financial performance indicators in 2017 creates a sound basis for the reliable generation of profits. The company's management expects sales revenues to reach about EUR 335 to EUR 345 million in 2018 and hopes to keep the EBITDA margin between 22% and 24%. In turn, this could enable the company to maintain its main indicators of profitability in 2018. This forecast does not take into account potential external economic shocks.

Dividends

Petro Welt Technologies AG's financial statement states no distributable profit. Therefore, and in order to ensure that the structure of the balance sheet remains strong, the Management Board and the Supervisory Board propose to not distribute any dividend for 2017. In addition to international expansion, the company must also strengthen its position in the core markets in Russia through investments in technology, infrastructure, software and personnel development in order to maintain its reputation as a technology leader.

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

Key positions		2017	2016	+/-%
Sales revenues	in EUR million	353.0	304.4	+16.0%
EBITDA	in EUR million	83.1	81.5	+2.0%
EBIT	in EUR million	36.8	39.7	-7.5%
EBITDA margin		23.5%	26.8%	
EBIT margin		10.4%	13.0%	
Group result	in EUR million	31.0	25.5	+21.6%
Earnings per share	in EUR	0.63	0.52	
Equity	in EUR million	242.0	233.3	+3.7%
Operating cash flow	In EUR million	77.7	78.4	-0.8%
Employees		3,535	3,313	+6.7%



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