Results 2016: Petro Welt Technologies AG significantly improved its level of profitability

- Sales revenues converted into rouble increased by 3.4% despite price pressure from the oil majors.
- Positive operational and economic performance created solid basis for profitability improvement.
- EBITDA margin widened from 25.3% to 26.8%. Combined with establishment of reasonable financial limits it provided strong cash generation.
- Managerial cash position grew from January to December by 182.1% to EUR 113.7 million.
- Strengthening capital position: equity base increased by 60.4% - equity ratio at 55.5%.
- Acquired Kazakhstan operations contributed to revenue and net profit.

Vienna, April 25th, 2017 - In 2016 Petro Welt Technologies AG, Vienna (formerly C.A.T oil AG, change of name at August 23, 2016) listed on the Frankfurt Stock Exchange, significantly improved all kinds of margins. Revenues in Russian roubles increased 3.4% in 2016 compared to the same period of the previous year. This increase was mostly due to expansion of the drilling customers program and growth of revenues per job in well service segment. In euros, revenues decreased by 5.6%, which was less than the 9.5% depreciation of the rouble on the yearly average basis. Revenues in EUR for the year 2016 totaled EUR 304.4 million.

EBITDA and EBIT amounted to EUR 81.5 and 39.7 million respectively. There was also a change of revenues over performed cost of sales dynamics. In combination with limited development of administrative expenses it led to an impressive growth of EBIT margin. So even despite to the continuing RUB depreciation in annual average basis the Group demonstrated spectacular growth of EBIT and net profit in EUR by 28.3% and 25.6% respectively.

Solid EBITDA amounting to EUR 81.5 million in 2016 (2015: EUR 81.5 million) provided improvement of the cash flow from operating activities which reached EUR 78.4 million, up from the prior-year figure of EUR 67.3 million. By the end of 2016, the Group was able to considerably improve free cash flow (cash flow remaining after costs incurred for maintaining and expanding production capacity) up to EUR 57.5 million.

Such positive profit development within a challenging industry environment is attributable to management's efforts to optimize the cost of sales, to limit administrative and financial expenses, to increase synergies among the companies of the Petro Welt Technologies Group, and to enhance the proportion of multi-stage fracturing operations. Other growth contributors were the geographic diversification of drilling and the acquisition of a fracturing company in Kazakhstan in September 2016.

The equity ratio strengthened from 48.3% in 2015 to 55.5% in 2016. The main reason is associated with the reduction of the currency translation provision from EUR 210.9 million in 2015 to EUR 148.6 million in 2016. The non-current assets of Petro Welt Technologies AG also increased slightly by 8.8%, whereas the current liabilities rose sharply by 51.3%. Group equity rose to EUR 233.3 million as of 31 December 2016 compared to EUR 145.5 million at the end of 2015. At the end of 2016, total net debt amounted to EUR 35.9 million, which corresponds to a 0.44 of net-to-EBITDA ratio.

Acquisitions

On 1 September 2016 Petro Welt Technologies AG completed the acquisition of the Kazakhstan fracturing subsidiary of Trican Well Service Ltd., Calgary. The acquired business, which was renamed to Petro Welt Technologies Kazakhstan LLP, specializes in fracturing and actively serves a number of international and local customers throughout Kazakhstan. The integration of the acquired company into the corporate structure of Petro Welt Technologies AG was completed by the end of the year.

"We understand that international diversification and multi-segment portfolio is the best mitigation against the market today," states Yury Semenov, CEO of Petro Welt Technologies AG and adds: "Each step has to be verified and the Company should gain and benefit out of it."

Outlook for 2017

The management anticipates sales revenues to reach approx. EUR 335 - 345 million in 2017, and the management hopes to maintain the improved EBIT margin at the range of 10 - 12%. In turn, this could enable the company to keep main indicators of profitability in 2017. This forecast does not take account of potential external economic shocks and force-majuer situations.

Dividends

After careful deliberation, the Management Board and the Supervisory Board propose to carry forward all profits and not to distribute a dividend for the year 2016.

The 2016 Annual Report of Petro Welt Technologies AG is available for download on our corporate website at www.pewete.com

Key positions		2016	2015	+/-%
Sales revenues	in EUR million	304.4	322.5	-5.6%
EBITDA	in EUR million	81.5	81.5	
EBIT	in EUR million	39.7	31.0	+28.3%
EBITDA margin		26.8%	25.3%	
EBIT margin		13.0%	9.6%	
Group result	in EUR million	25.5	20.3	+25.6%
Earnings per share	in EUR	0.52	0.42	+23.8%
Equity	in EUR million	233.3	145.5	+60.3%
Operating cash flow	In EUR million	78.4	67.3	+16.4%
Employees		3,313	3,303	+0.3%

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