

SMT Scharf continues its growth course in Q1 2018

Hamm, May 16, 2018 – SMT Scharf AG (WKN 575198, ISIN DE0005751986) has made a successful start to the 2018 fiscal year. Consolidated revenue was up by 7.2 % to EUR 11.4 million in the first quarter of 2018 (Q1 / 2017: EUR 10.6 million). Profit from operating activities (EBIT) amounted to EUR 0.6 million in the first quarter of 2018 (Q1 / 2017: EUR 0.8 million), in line with expectations. SMT Scharf is reporting significant year-on-year growth in its new order intake, thereby establishing the prerequisites for further growth in coming quarters.

As Hans Joachim Theiss, CEO of SMT Scharf AG, comments on the first quarter: "Our market expansion strategy is continuing to bear fruit in 2018, after having intentionally proceeded with aggressive pricing in contract awards and tenders. As a worldwide leading supplier of underground transport solutions and logistics systems, we aim to exploit the upturn in mining and grow profitably in our markets."

The market environment is reflected in mine operators making more investments in new systems. SMT Scharf achieved year-on-year revenue growth both in its business with new systems and in its service business. At a total of EUR 2.9 million, Russia proved to be the most dynamic market in terms of revenue (Q1 / 2017: EUR 4.4 million). As expected, this revenue generated was down year-on-year due to the completion of large-scale projects. Revenue grew to EUR 2.7 million in the important foreign market of China (Q1 / 2017: EUR 1.1 million). Following consolidation in the Chinese market, mine operators there are investing in innovative transportation logistics again.

Our profit from operating activities (EBIT) amounted to EUR 0.6 million in the first quarter of 2018 (Q1 / 2017: EUR 0.8 million). The slight decrease is due to the higher cost of materials reflecting the marked pickup in our business with new systems. New order intake in the reporting period amounted to EUR 17.1 million, up significantly year-on-year (Q1 / 2017: EUR 10.3 million). The order book position stood at EUR 21.0 million as of March 31, 2018 (Q1 / 2017: EUR 10.3 million).

"During the first months of 2018, we have created the preconditions for further growth with the founding of our second sales-based joint venture in China and our takeover of Canadian mining specialist RDH Mining Equipment. In particular, RDH will prove an important driver for our business. We now also offer rubber-tyred vehicles in our product portfolio and can individually equip vehicles in line with customer requirements and also serve demand for battery-operated vehicles thanks to this newly acquired electrical expertise," notes Hans Joachim Theiss. The integration of RDH is running to plan, so the company will be included in the scope of consolidation as of the second quarter of 2018.

With regard to the 2018 fiscal year, the Managing Board of SMT Scharf continues to expect consolidated revenue in a range between EUR 58 million and EUR 62 million and EBIT in a range between EUR 4.5 million and EUR 5.5 million. This already includes the positive effects from the acquisition of RDH Mining Equipment.

The full report for the first quarter of 2018 will be available to download from the Investor Relations area of the company's website on May 16, 2018.

Company profile

The SMT Scharf Group develops, manufactures and services transportation equipment for underground mining as well as for tunnel construction. The main products are captivated railway systems that are deployed all over the world, primarily in hard coal mines, but also in mines for gold, platinum and other metals. They are needed to transport material and personnel with payloads of up to 48 tons and on gradients of up to 30 degrees. In addition, SMT Scharf supplies the mining sector with chairlifts. The company also offers rubber-tyred diesel and electric vehicles for mining and tunnel construction through the newly acquired mining specialist RDH Mining Equipment. As a leading supplier of battery-operated vehicles harnessing lithium-iron technology for underground mining, RDH completes the portfolio of SMT Scharf with its varied product portfolio, ranging from front-end loaders and scissor lifts through to underground trucks. Overall, the SMT Scharf Group is active with subsidiaries in eight countries, as well as commercial agencies worldwide. SMT Scharf generates a large share of its revenue in growing foreign markets such as China, Russia, Poland and South Africa. SMT Scharf AG has been listed in the Prime Standard (Regulated Market) of the Frankfurt Stock Exchange since 2007.

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