

SMT Scharf maintains positive growth of its business in the first half of 2018

Hamm, August 15, 2018 – To date, the 2018 fiscal year has run a consistently positive course for SMT Scharf AG (Sec. No. 575198, ISIN DE0005751986). Consolidated revenue was up by 21.5% to EUR 28.1 million during the first six months of 2018 (H1 / 2017: EUR 23.2 million). Earnings from operating activities (EBIT) in the same period climbed to EUR 3.1 million (H1 / 2017: EUR 1.2 million) and are therefore on target. The order book of EUR 22.5 million as of June 30, 2018 represents a significant increase over the previous year and offers SMT Scharf an ideal platform for further profitable growth.

Hans Joachim Theiss, Chairman of SMT Scharf AG, commented as follows on the growth of the business in the first half of the year: "With the successful implementation of strategic measures such as the acquisition of Canadian mining specialist RDH Mining Equipment and our continuous improvement programmes in the Group, we created the conditions in the first half of the year for sustained growth. Positive growth in sales, income and orders in the first six months of the year is clear evidence that our work is bearing fruit. On the basis of our strategy, we intend to further raise our profile in all important markets and profit from the consistently healthy state of the industry."

Against the continuing background of stable to slightly rising commodity prices, mine operators are shedding their reticence and investing in new systems and modernising their existing infrastructure. This development is reflected in buoyant business with new systems which posted a half-year figure of EUR 12.4 million, a significant increase over the same period in the previous year (H1 / 2017: EUR 8.7 million). In Services and Spare Parts, SMT Scharf achieved sales revenues of EUR 15.7 (H1 / 2017: EUR 14.5 million). The Rail Systems product segment accounted for EUR 22.8 million of total revenue in the reporting period (H1 / 2017: EUR 21.6 million) while rubber-wheeled vehicles, a new line of business launched with the acquisition of RDH, achieved sales revenue of EUR 3.0 million. Sales of chair lifts stood at EUR 2.3 million (H1 / 2017: EUR 1.6 million).

China proved to be the market with the strongest growth in the reporting period, and here SMT Scharf was able to report significantly higher revenue of EUR 8.2 million following EUR 3.3 million in the previous year. The consolidation phase among mine operators there is now largely completed. At the same time, the local prices for hard coal have reached a level which makes it lucrative for mining companies to expand production. Sales in the second largest foreign market of Russia declined as expected to EUR 7.7 million (H1 / 2017: EUR 9.6 million), due to the completion of several major projects.

The order book position of SMT Scharf stood at EUR 22.5 million as of June 30, 2018 (June 30, 2017: EUR 15.7 million). At the same time, the intake of new orders during the first six months of 2018 amounted to EUR 35.4 million (H1 / 2017: EUR 23.1 million).

The cost of materials showed a year-on-year increase of 20.9% to EUR 16.2 million (H1 / 2017: EUR 13.4 million) due to strong sales of new systems. The cost of materials ratio (in relation to total operating revenue) nevertheless fell to 53.7% (H1 / 2017: 54.2%). Personnel expenses amounted to EUR 7.8 million, representing a 21.9% year-on-year increase (H1 / 2017:

EUR 6.4 million). Nevertheless, the personnel cost ratio of 25.8% matched that of the previous year (H1 / 2017: 25.8%).

As Theiss adds: "The integration of RDH Mining Equipment is running smoothly in all areas. We succeeded in including it in the group of consolidated companies in time for the second quarter. We will start with technical integration in the second half of the year. Thanks to RDH, we now have rubber-wheeled diesel and electric vehicles for mining and tunnelling in our product portfolio, and we are able to customise the vehicles to meet customers' needs. That will provide a further boost to our business."

The Management Board of SMT Scharf is still expecting consolidated revenue for fiscal 2018 to be recorded in a range of EUR 58 to 62 million, with EBIT in a corridor of EUR 4.5 to 5.5 million.

The complete report for the first half of 2018 will be available for downloading on the company's website at www.smtscharf.com in the "Investor Relations" section on August 15, 2018.

Company Profile

The SMT Scharf Group develops, builds and maintains transport equipment for underground mines as well as for tunnel construction sites. The main product consists of rail-bound railway systems which are used primarily in coal mines and for the underground mining of gold, platinum and other ores. There they transport men and material up to a payload of 48 tons on routes with inclines of up to 30 degrees. SMT Scharf also supplies chairlifts to the mining industry. In addition, the company offers rubber-wheeled diesel and electric vehicles for mining and tunnelling applications through the newly acquired mining specialists RDH Mining Equipment. As a leading supplier of battery-driven vehicles with lithium-ion technology for underground mining, RDH complements SMT Scharf's portfolio with its diverse product range stretching from loaders and scissor lifts to underground trucks. Overall, the SMT Scharf Group has its own companies in eight countries as well as distributors around the world. SMT Scharf generates most of its sales in growth markets abroad such as China, Russia, Poland and South Africa. SMT Scharf AG has been listed in the Prime Standard (Regulated Market) on the Frankfurt Stock Exchange since 2007.

Contact

Investor Relations
cometis AG
Thorben Burbach
Tel: +49(0)611 - 205855-23
Fax: +49(0)611 - 205855-66
Email: burbach@cometis.de