

SMT Scharf AG: FY 2020 operating result prospectively lower than expected

Hamm, March 1, 2021 – SMT Scharf AG (German Securities Code (WKN) 575198, ISIN DE0005751986) announced that, as part of the preparation of the 2020 consolidated financial statements on the basis of preliminary figures, it has transpired that the operating result (EBIT) for the 2020 fiscal year is expected to amount to EUR -8.1 million (2019: EUR 6.8 million). In November 2020, the company had already adjusted its guidance for EBIT for the 2020 financial year to a range between EUR -6.0 million and EUR -6.5 million due to the revaluation of assets at the Canadian subsidiary RDH Mining Equipment Ltd. and resultant requirement for impairment charges, as well as the correction of the Group's intangible assets in light of the COVID-19 pandemic. The anticipated further deterioration in EBIT arises from the still-outstanding China-III approval of machines delivered to Chinese mining companies, which cannot yet be recognised as revenue in accordance with IAS 18. This exerts a correspondingly negative effect on the result.

Furthermore, SMT Scharf AG generated consolidated revenue of EUR 50.2 million in the 2020 fiscal year on the basis of preliminary figures. As a consequence, the revenue does not diverge significantly from the most recently forecast range of between EUR 48 million and EUR 50 million.

Company profile

The SMT Scharf Group develops, manufactures and services transportation equipment for underground mining as well as for tunnel construction. Its main products include captivated railway systems that are deployed worldwide, primarily in hard coal mines, as well as in mines for gold, platinum and other metals. Such systems are required in order to transport material and personnel with payloads of up to 48 tonnes and on gradients of up to 30 degrees. SMT Scharf also supplies the mining sector with chairlifts. Since 2018, SMT Scharf's diverse portfolio has also included rubber-wheeled diesel and electric vehicles for mining and tunnelling, including loaders, scissor lifts and underground trucks. As part of the further diversification of the business, the product range has been successfully expanded since 2019 to include electronic components and control systems for mining and other industries. 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.

**Ad hoc announcement
pursuant to Article 17 of the
EU Market Abuse Regulation (MAR)**



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