

## **SMT Scharf AG makes solid start to FY 2021**

- **Consolidated revenue for the first three months of 2021 at EUR 10.8 million**
- **Operating profit (EBIT) rises to EUR 2.0 million**
- **High order book position of EUR 48.3 million reflects delayed order invoicing (IAS 18)**
- **Relocation to larger production facility in South Africa completed for regional product manufacturing and production of underground electric vehicles**
- **Positive outlook for 2021: Impetus expected from final China III approval**

Hamm, May 12, 2021 – SMT Scharf AG (WKN 575198, ISIN DE0005751986), one of the world's leading suppliers of customised transport solutions and logistics systems for underground mining, has made a solid start to the 2021 fiscal year, recording slight growth in consolidated revenue of 1.5 % to EUR 10.8 million in the first quarter of 2021 (Q1 2020: EUR 10.7 million). At the same time, the result from operating activities (EBIT) rose to EUR 2.0 million (Q1 / 2020: EUR -2.1 million). Firstly, the revenue growth reflects economic effects on SMT Scharf's business activities due to the politically ordered restrictions to contain the coronavirus pandemic. Secondly, the approval of China III machines in the Chinese market has been further delayed, as expected. For this reason, the first machines delivered to Chinese mining companies could not yet be recognised as revenue in accordance with IAS 18.

The CEO of SMT Scharf AG, Hans Joachim Theiss, comments on the business trend in the first quarter of 2021: "After an exceptional 2020 with major disruptions to our Group, we are off to a good start in fiscal 2021. Activity in SMT Scharf's international mining markets continued to be restrained, although commodity prices such as for coal and industrial metals showed a clear uptrend. It was pleasing to see growth in our profitable after-sales business and a return to positive results compared to previous quarters."

Given a continued difficult market environment, revenue of EUR 3.7 million was generated in the new systems business (Q1 2020: EUR 5.4 million). Revenue in the service and spare parts business rose to EUR 7.1 million (Q1 / 2020: EUR 5.3 million). SMT Scharf continued to generate the largest share of its consolidated revenues in the Coal segment. Here, the company generated revenue of EUR 6.6 million in the first quarter, which corresponds to a revenue share of 61 % (Q1 / 2020: 66 % or EUR 7.1 million). The revenue share accounted for by the Mineral Mining segment increased relatively slightly to 34 %, or EUR 3.7 million (Q1 / 2020: 31 % or EUR 3.3 million). In addition, the Tunnel segment contributed EUR 0.2 million or 2 % (Q1 / 2020: 1 % or EUR 0.1 million), and the Other Industries segment EUR 0.3 million, or 3 %, to Group revenues, as in the previous year.

In the first three months of 2021, the SMT Scharf Group's new order intake amounted to EUR 22.5 million, up considerably on the previous year (Q1 / 2020: EUR 15.1 million). As of March 31, 2021 reporting date, the order book position rose to EUR 48.3 million, reflecting delayed order invoicing given the coronavirus crisis, as well as revenue recognition (in accordance with IAS 18) in relation to China III orders received, final approval of which by the Chinese regulatory authorities is still pending.

In March 2021, the subsidiary SMT Scharf Africa moved into a larger production facility in Johannesburg, South Africa, thereby doubling its production capacity. In the future, electrically powered vehicles will also be manufactured or reconditioned there for mining customers from all over the world. With the construction of this new plant, SMT Scharf is strengthening its positioning in the African mining sector. This location also serves as a regional production and support centre for monorail hanging railway and chairlift products.

“The new manufacturing facility in South Africa will help us to further develop our electrical expertise within the Group, and meet demand for underground electric vehicles. We also look to China with confidence. In the second quarter, we expect both batch and prototype approval for China III machines. The new China III standard will be mandatory for Chinese mining companies from this year on, so we expect correspondingly positive impulses for our business over the further course of the year,” explains Theiss.

On the basis of conservative assumptions, SMT Scharf continues to anticipate consolidated revenue in a range between EUR 65 million and EUR 70 million for the 2021 fiscal year, and EBIT in a range between EUR 2.5 million and EUR 3.0 million.

The complete report for the first quarter of 2021 will be published during the course of today within the Investor Relations area of [www.smtscharf.com](http://www.smtscharf.com).

### 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-tyred 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.

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