

## **SMT Scharf continues successful business performance in Q3 2021**

- **Consolidated revenue rises to EUR 53.9 million in the first nine months of 2021**
- **Operating profit (EBIT) improves to EUR 8.1 million**
- **Managing Board further upgrades FY 2021 guidance: Consolidated revenue expected in the range of EUR 75 million to EUR 80 million and EBIT in the range of EUR 9 million to EUR 11 million**
- **China III approval leads to positive subsequent revenue recognition effects and improved growth prospects in China**

Hamm, November 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, increased its consolidated revenue by 46.1% to EUR 53.9 million in the first nine months of the 2021 fiscal year (9M / 2020: EUR 36.9 million). At the same time, the operating result (EBIT) amounted to EUR 8.1 million, compared with negative EBIT of EUR -7.2 million in the corresponding period of the previous year. The operating result achieved in the first three quarters of 2021 thereby exceeds the EBIT of EUR 5.0 million to EUR 6.0 million previously forecast for the full year. When viewing the third quarter of 2021 in isolation, EBIT reached EUR 4.9 million (Q3 / 2020: EUR -5.4 million). Consolidated net income for the first nine months of 2021 amounted to EUR 8.6 million (9M / 2020: EUR -7.1 million).

Hans Joachim Theiss, CEO of SMT Scharf AG, comments: "The significant earnings growth mainly reflects the dynamic business trend in the current fiscal year, and especially growth in the Chinese market as well the recovery in our profitable new equipment and after-sales business due to the upturn in the sector business cycle. In particular, the approval of China III machines led to a positive EBIT contribution of around EUR 4.2 million. Besides this, we assume that, following contractually required customer confirmations, further subsequent recognition of revenues can be implemented in the fourth quarter of 2021, which are expected to be reflected in an amount in the low double-digit million range in euros on the revenue side, and in an amount in the low single-digit million range in euros on the EBIT side."

In the first nine months of 2021, SMT Scharf continued the positive revenue growth trend it has recorded since the start of the year in both its new equipment and its spare parts and service businesses. In the new equipment business, revenue in the reporting period amounted to EUR 27.0 million, corresponding to year-on-year growth of 61.7% (9M / 2020: EUR 16.7 million). Revenue in the spare parts and service businesses also recorded strong growth in a nine-month comparison. Here, the increase amounts to 32.5% to EUR 26.5 million (9M / 2020: EUR 20.0 million). In addition to the China III approval, the general improvement in the market environment contributed to this positive performance. Driven by a revival of the world economy, global demand for energy has risen significantly this year. As a consequence, commodity prices have increased overall, making mine operators more willing to invest in

modern mechanical engineering technology for underground mining and to catch up on existing maintenance backlogs.

SMT Scharf recorded revenue of EUR 48.3 million in its rail systems product area (9M / 2020: EUR 31.4 million). In contrast, revenue in the rubber-tyred vehicles product area was slightly below the previous year's level at EUR 2.2 million (9M / 2020: EUR 3.2 million). In terms of regions, China remains SMT Scharf's most important foreign market, both in relation to absolute revenue and as a proportion of total revenue. Revenue in China in the new equipment business amounted to EUR 22.9 million in the first nine months of 2021 (including subsequent revenue recognition due to the China III approval), 347% above the corresponding figure for the previous year (9M / 2020: EUR 11.7 million). The African market stood out clearly during the period under review, where SMT Scharf recorded revenue of EUR 8.5 million, reflecting a disproportionately high increase compared to the previous year's proportionate level of EUR 1.6 million. The strong revenue growth in the African market was due to the order that SMT Scharf received at the end of last year from Polymetal International as part of its strategic partnership. Through the subsidiary in South Africa, SMT Scharf has now delivered the first electric-powered load, haul, dump machines (LHDs), and underground trucks to Polymetal in Russia in the third quarter. Revenue in Germany of EUR 1.5 million in the reporting period remained at the previous year's level (9M / 2020: EUR 1.5 million).

In the first nine months of 2021, the SMT Scharf Group's new order intake amounted to EUR 53.1 million, up 25.5% on the corresponding prior-year level of EUR 42.3 million. The order book position stood at EUR 35.8 million as of the September 30, 2021 reporting date (9M / 2020: EUR 30.4 million).

Hans Joachim Theiss is confident about the fourth quarter of 2021: "In light of a further brightening of economic conditions and the positive effects from the China III approval, we identify a further improvement in growth prospects for both the fourth quarter and beyond. The approval that has now been granted leads to new, attractive business opportunities for SMT Scharf in China. On the other hand, we must note that SMT Scharf is also increasingly affected by the global disruptions in the procurement market and fragile supply chains. Due to existing inventories, this did not have any negative effects in the third quarter and we also do not expect this to be the case to any significant extent in the fourth quarter. However, if the supply situation in global markets remains as tight as it is at present, it is to be assumed that the resultant effects will affect business trends in the first half of 2022."

Due to the positive business performance in the current fiscal year, the Managing Board has again raised its revenue and earnings forecast for the full 2021 year and now expects consolidated revenue in a range between EUR 75 million and EUR 80 million, and EBIT in a range between EUR 9 million and EUR 11 million.

The complete report for the third 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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