

## **SMT Scharf AG reports significant revenue and earnings growth in FY 2021**

- **Consolidated revenue of EUR 85.9 million in 2021 significantly above pre-Corona level of 2019**
- **Operating result (EBIT) at EUR 11.2 million, corresponds to strong EBIT margin of 13.1 %**
- **Positive impetus from China III approval and demand recovery in the mining equipment markets**
- **Outlook for 2022: Stressed supply chains and geopolitical tensions cause volatile market environment on the basis of a positive business outlook; Managing Board refrains from quantitative 2022 guidance for the time being**

Hamm, March 31, 2022 – 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 revenue to EUR 85.9 million in the 2021 fiscal year (2020: EUR 50.2 million), thus significantly exceeding the pre-Corona level of 2019 (EUR 75.4 million). The significant year-on-year revenue growth of 71.1 % is particularly attributable to growth in the Chinese market and here, in particular, to catch-up effects deriving from the approval of the new China III machines. In the second half of the year, the approval of deliveries that had already been completed led to the retrospective recognition of revenue totalling EUR 28.1 million. The revival of the global economy and the accompanying increase in global energy demand also had a beneficial effect on demand for transport and logistics solutions in the mining sector.

Operating earnings (EBIT) amounted to EUR 11.2 million, following an operating result of EUR -8.1 million in the previous year due to the pandemic and one-off effects. EBIT grew significantly especially in the second half of the year, with the receipt of approval for China III machines in the third and fourth quarters also having an impact in this context. Furthermore, the earnings growth is attributable to the strong rise in new equipment business and the recovery in after-sales business. Accordingly, SMT Scharf recorded a strong EBIT margin (in relation to total operating revenue) of 13.1% in 2021 (2020: -14.4%). Earnings per share amounted to EUR 2.29 (2020: EUR -1.79).

Hans Joachim Theiss, CEO of SMT Scharf AG, puts the 2021 business trend into context: "Business trends in 2021 continued to be influenced by the economic impact of the coronavirus pandemic with business activity remaining limited especially in important foreign markets. Despite these challenging conditions, we succeeded in exceeding our full-year revenue and earnings guidance for 2021, which we raised twice in the course of the year and most recently issued above the "pre-Corona level". It was pleasing to note that business with both new equipment and after-sales picked up again in key sales markets. In the third quarter, we also reached an important milestone by becoming the first European company to receive approval for China III machines, which led to tangibly positive effects for revenue and earnings in the

second half of the year. The new standard for mining equipment in China opens up attractive growth opportunities for SMT Scharf.”

Revenue in the new equipment business recorded significant growth in 2021. This was largely due to the improved market sentiment following the 2020 coronavirus year, particularly in China, the most important foreign market. At 58.1 %, the share of revenue in the new equipment business again clearly exceeded the 50 percent level (2020: 44.8 %). Spare parts and service business accounted for 40.5 % of total revenue, which was significantly higher year-on-year (2020: 53.6 %). In absolute terms, however, revenue in the after-sales business rose by around one third to reach EUR 34.8 million (2020: EUR 26.9 million). SMT Scharf continued to generate the largest share of its consolidated revenue in the Coal segment. Here, the company generated revenue of EUR 69.9 million, which corresponds to a share of revenue of 81.4 % (2020: 79.1 % or EUR 39.7 million). The revenue share accounted for by the Mineral Mining segment rose to EUR 14.0 million, or 16.3 % (2020: EUR 8.4 million or 16.7 %). In the Tunnel segment, revenue grew to EUR 0.5 million. This segment thereby contributed 0.6 % of total revenue (2020: EUR 0.3 million, or 0.6 %). In the fourth segment, Other Industries, which includes the business of the subsidiary ser elektronik, revenue of EUR 1.5 million was generated in the 2021 fiscal year; accordingly, the segment contributes 1.8 % to total Group revenue (2020: EUR 1.8 million or 2.6 %).

SMT Scharf generated more than 97 % of its revenue abroad in the reporting year (2020: 95 %). China again expanded its role as the most important foreign market with a share of 51.9 %, or EUR 44.6 million (2020: 32.7 % or EUR 16.4 million). As expected, the new China III regulation, which will require Chinese mining companies to upgrade their underground mining fleets from the beginning of 2021, had a positive effect on revenue and earnings. Russia (and the CIS) follows as the second most important market with a share of 16.4 %, equivalent to EUR 14.1 million (2020: 29.7 % or EUR 14.9 million). Africa replaced Poland as SMT Scharf's third-largest market during the year under review. The African continent accounted for 11.8 % or EUR 10.1 million of consolidated revenue (2020: 9.6 % or EUR 4.8 million), thereby recording the strongest growth of all SMT Scharf's target markets after China. In Poland, revenue grew to EUR 7.8 million (2020: EUR 5.9 million), with the share of total revenue reducing to 9.1 % (2020: 11.8 %), reflecting stronger growth in other markets. The American market, where the SMT Scharf Group is primarily present in the mineral mining sector with its monorails and its portfolio of rubber-tyred vehicles, ranks fifth. In America, the Group generated revenue of EUR 3.6 million in 2021, as in the previous year, with the share of total Group revenue decreasing to 4.2 % (2020: 6.5 %) given the general revenue growth. The share of revenue remaining in Germany reduced to 2.7 %, or EUR 2.3 million (2020: 5.2 % or EUR 2.6 million).

New order intake amounted to EUR 76.1 million in the 2021 reporting year (2020: EUR 61.9 million). The SMT Scharf Group's order book position totalled EUR 26.9 million as of December 31, 2021, which is significantly lower than the figure as of the previous year's reporting date (December 31, 2020: EUR 36.6 million). This was due, in particular, to the revenue realised from deliveries of China III machines, which was recognised subsequently at the end of the third and fourth quarters.

Against the backdrop of a fundamentally positive business outlook, SMT Scharf is currently exposed to a volatile market environment that is characterized by the geopolitical tensions in Eastern Europe, the ongoing Corona pandemic and the associated continued restrictions on the SMT Scharf Group's business activities worldwide, as well as the stressed global supply chains. In view of the current major uncertainties, SMT Scharf AG's Managing Board is refraining from issuing a quantitative guidance for the current fiscal year 2022 for the time being despite its positive fundamental stance on business opportunities, until sufficient visibility exists and valid statements about further business growth can be made.

"In principle, we believe that SMT Scharf is well positioned as a specialist in the niche to be able to benefit sustainably from the megatrends in mining against the backdrop of generally high commodity prices. These are spurring demand for transport and logistics solutions that are individual and more modern. So we generally expect attractive long-term growth opportunities in our business areas, not least due to global urban development, high demand for economically strategic raw materials as well as electromobility. The Ukraine crisis exposes us to greater exchange rate risks in the short term and a resultant rise in the price of our goods. To largely reduce financial risk, we are constantly working to minimise negative currency effects and achieve better payment terms."

The complete 2021 Annual Report 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. In addition, SMT Scharf 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 seven 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.

### Contact

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