

SMT Scharf AG starts FY 2022 with revenue and earnings growth

- **Consolidated revenue in Q1 2022 up by around 36 % to EUR 14.7 million**
- **Operating profit (EBIT) improves to EUR 5.5 million compared with EUR 2.0 million in Q1 2021 thanks to strong revenue growth and reversal of a provision**
- **Order book position of EUR 33.8 million creates solid starting position**
- **Guidance for 2022: Volatile market environment against the backdrop of the coronavirus pandemic and the Ukraine war continue to cause uncertainty regarding future business trend**

Hamm, May 12, 2022 – SMT Scharf AG (German Securities Code (WKN) 575198, ISIN DE0005751986), one of the world's leading suppliers of customized transport solutions and logistics systems for underground mining, has made a good start to the new 2022 fiscal year, despite more difficult overall conditions. SMT Scharf increased its consolidated revenue by 36.3 % to EUR 14.7 million in the first quarter of 2022, compared with EUR 10.8 million in the first quarter of the previous year. Both the new equipment business and the profitable after-sales business contributed to the positive revenue performance. The marked growth in consolidated revenue and the reversal of a provision of EUR 4.2 million had a correspondingly positive effect on the earnings trend. Profit from operating activities (EBIT) for the first quarter of 2022 was up significantly to EUR 5.5 million, compared to the same quarter of the previous year (Q1 / 2021: EUR 2.0 million).

Hans Joachim Theiss, CEO of SMT Scharf AG, comments on the business performance: "In the first three months of the 2022 fiscal year, the SMT Scharf Group faced challenging market conditions. The effects of the coronavirus pandemic and, since the end of February, the Ukraine war have led to subdued activity in international markets for mining equipment. In addition, business activities in our relevant target markets are in some cases possible only to a limited extent, as demonstrated by the current travel restrictions in China. It is pleasing to note that our clear strategic business focus again made a significant contribution to the company's performance in the first quarter."

In the new equipment business, SMT Scharf generated revenue of EUR 6.5 million in the first quarter of 2022 (Q1 / 2021: EUR 3.5 million). Revenue in the service and spare parts business amounted to a total of EUR 8.0 million (Q1 / 2021: EUR 7.1 million). Furthermore, revenue of EUR 0.2 million was generated in the Other segment, in line with the previous year (Q1 / 2021: EUR 0.2 million).

In terms of segments, the largest revenue share continued to be attributable to the Coal market, which accounts for 78 % of total revenue (Q1 / 2021: 61 %), while the proportion from the Mineral Mining segment decreased to 18 % in the reporting period (Q1 / 2021: 34 %). In addition, the "Other Industries" segment achieved a share of consolidated revenue of 3 % (Q1 / 2021: 3 %). Moreover, the Tunnel segment accounted for a 1 % share of revenue (Q1 / 2021: 2 %).

The SMT Scharf Group's new order intake in the first three months of 2022 amounted to EUR 21.7 million, down slightly compared with the prior-year period (Q1 / 2021: EUR 22.5 million). The order book position amounted to EUR 33.8 million as of March 31,

2022 (Q1 / 2021: EUR 48.3 million). In the previous year, the delayed recognition of revenue deriving from China III orders led to an exceptionally high order book position.

Given the volatile market environment and the effects of the war in Ukraine, as well as the coronavirus pandemic, SMT Scharf continues to identify considerable uncertainties for its business, which are making planning difficult. The economic impact of these factors on SMT Scharf's business activities is being examined on an ongoing basis, but cannot be quantified conclusively at present. For this reason, for the time being the Managing Board of SMT Scharf AG is continuing to refrain from issuing quantitative guidance for the current 2022 fiscal year until sufficient visibility exists and valid statements about further business growth can be made.

"In Russia, the mid-term prospects for our company are uncertain. In accordance with further EU sanctions, SMT Scharf is prohibited from shipping finished machines to Russia from July 10, 2022. From that date onwards, only certain spare parts that are not subject to export restrictions can still be delivered to customers. Elevated exchange rate risks, which have made our products more expensive, comprise a further challenge since the outbreak of the war. To largely reduce financial risk, we are continuously working on minimizing negative currency effects and on achieving better payment terms," notes Hans Joachim Theiss.

The complete report for the first quarter of 2022 will be published during the course of today within the Investor Relations area of 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 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