

## **SMT Scharf AG reports strong After-Sales business in H1 2023**

- **Consolidated revenue of EUR 31.7 million in H1 2023**
- **Operating result (EBIT) at EUR -1.8 million**
- **Significant growth in After-Sales business, decrease in New Equipment business**
- **Guidance for FY 2023: Consolidated revenue of EUR 73 million and EBIT of EUR -3.3 million expected**

Hamm, August 14, 2023 – SMT Scharf AG (WKN A3DRAE; ISIN DE000A3DRAE2), a worldwide leading provider of customised transport solutions and logistics systems for underground mining, has today published its final results for the first half of 2023. The consolidated revenue of the SMT Scharf Group amounted to EUR 31.7 million in the first half of the 2023 fiscal year (H1/2022: EUR 37.5 million). The Spare Parts and Service businesses reported significant growth in the reporting period, while the New Equipment business posted a marked decrease in revenue against the backdrop of subdued business sentiment in the mining equipment market. In addition, finished products ready for delivery from subsidiaries could not yet be delivered to end customers and be recognized as revenue accordingly.

The result from operating activities (EBIT) amounted to EUR -1.8 million in the reporting period (H1/2022: EUR 7.0 million). In addition to lower revenue year-on-year, this change was mainly due to heavy currency losses. Furthermore, the release of a penalty provision of around EUR 4.2 million in the prior-year period had led to a positive one-off effect.

Hans Joachim Theiss, CEO of SMT Scharf AG, comments: “The SMT Scharf Group continued to be confronted with difficult market conditions in the first half of 2023. Overall, the propensity to invest in modern mining technology was subdued, with business in Russia affected by the sanctions directives in force. With the aim of further diversifying our business beyond coal, we are systematically investing in research and development to further expand our range of services in the area of electric vehicles and thereby tap new business opportunities. At the same time, as part of our efficient and forward-looking procurement management and operational excellence initiatives, we are striving to counteract cost increases in many areas and improve our internal processes.”

In the period under review, the New Equipment business was down, with revenue of EUR 8.5 million (H1/2022: EUR 20.0 million). Finished parts ready for delivery to end customers from subsidiaries could not yet be recognised as revenue. Revenue in the Spare Parts and Service businesses, by contrast, recorded significantly positive growth from EUR 17.1 million in the prior-year period to EUR 23.1 million in the first six months of 2023. The “Others” business area posted revenue of EUR 0.1 million (H1/2022: EUR 0.4 million).

By region, the SMT Scharf Group generated revenue of EUR 10.6 million in China. This corresponds to a decrease of 20.3 % in the reporting period (H1/2022: EUR 13.3 million). Nevertheless, China thereby proved to be SMT Scharf’s most important foreign market in the first half of 2023. As expected, the SMT Scharf Group also recorded a tangibly lower level of business activity in Russia. According to the applicable sanctions guidelines, the delivery of

complete machines is prohibited and the delivery of spare parts is only possible in exceptional cases. This resulted in a significant reduction in revenue of 43.3 % to EUR 6.8 million compared to the first six months of 2022 (H1/2022: EUR 12.0 million). In the prior-year period, SMT Scharf had still benefited from the fact that Russian mine operators had stepped up their efforts at an early stage to secure the mining equipment they required. In the Polish sales market, by contrast, SMT Scharf recorded higher demand for transport solutions for coal mining and increased its revenue to EUR 7.3 million in the first half of 2023 (H1/2022: EUR 3.6 million). Similarly, revenue in Germany grew by 45.5 % from EUR 1.1 million in the prior-year period to EUR 1.6 million in the first half of 2023. In the Africa region, revenue was down by 33.3 % from EUR 4.8 million in the prior-year period to EUR 3.2 million in the first half of 2023.

New order intake posted a slight year-on-year reduction in the first half of 2023 to EUR 43.2 million (H1/2022: EUR 47.1 million). As of June 30, 2023, the order book position amounted to EUR 34.4 million and was thereby at a high level.

On August 9, 2023, SMT Scharf AG downgraded its revenue and earnings guidance for the full 2023 fiscal year on the basis of preliminary results for the first half of 2023. The Managing Board now anticipates consolidated revenue of EUR 73 million and negative EBIT of EUR -3.3 million for the full 2023 fiscal year. Nevertheless, the Managing Board identifies catch-up potential for the second half of the year, as a consequence of which the full-year results could be better than expected at present.

The complete report for the first half of 2023 will be published during the course of today within the Investor Relations area at [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. They are needed to transport material and personnel with payloads of up to 48 tonnes and on routes with 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.

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