

## Major order in the tunnel business

***SMT Scharf has announced a major order in its tunnel business. With a total order volume in the low double-digit EURm range (PAsE: EUR 10-15m) this is the largest single order in the recent past. Furthermore, it is a significant step to reduce the company's dependency on the coal business (revenue share of c.80%). In view of the fact that the Tunnel segment has so far generated revenues in the low single-digit EURm, the announced order intake is a major step forward. According to SMT, the order will be P&L effective in FY 2025e, which then could account for 17% of our FY 2025e group revenue estimates. The tunnel order has also the potential to largely compensate for the loss of revenues in Russia. We also like the fact, that SMT's transport systems will be delivered for a project in the Middle East, a region where the company so far has no business. With a TP of EUR 11.50 we rate the shares a Buy.***

Zafer Rüzgar

+49 69 58997 412, zafer.ruezgar@paretosec.com

*Pareto Securities AS has been paid by the issuer to produce this research report. This material is considered by Pareto Securities to qualify as an acceptable minor non-monetary benefit according to the EU MIFID 2 directive.*

For disclosures on relevant definitions, methods, risks, potential conflicts of interests etc. and disclaimers please see [www.paretosec.com](http://www.paretosec.com). Investment Recommendations should be reviewed in conjunction with the information therein. When distributed in the US: This document is intended for institutional investors and is not subject to all of the independence and disclosure standards applicable to equity/debt research reports prepared for retail investors. This material is considered by Pareto Securities to qualify as an acceptable minor non-monetary benefit according to Directive 2014/65/EU Article 24 (7)(8) and Commission Delegated Directive 2017/593.