

SMT Scharf AG: marked decline in FY 2013 revenue and earnings

Hamm, February 26, 2014 – As expected, SMT Scharf AG (WKN 575198, ISIN DE0005751986), the technology and world market leader for captivated railway systems for underground mines, reports a significant decline in revenue and earnings in the 2013 fiscal year on the basis of preliminary figures.

Revenue in 2013 was down by around 17 % to EUR 63.3 million due to a worldwide drop in demand for mining equipment. As in previous years, China, Russia and Poland were the strongest sales markets. Profit from operating activities (EBIT) amounted to EUR 6.6 million compared with EUR 12.9 million in the previous year (-49 %), equivalent to a 10.4 % EBIT margin (previous year: 17.0 %). Two effects, in particular, were responsible for this sharp decline. Firstly, the company continued to hire personnel abroad as part of its localisation strategy. Secondly, EBIT was hit by currency losses and additions to provisions. Including the loss on discontinued operations, consolidated net income amounted to EUR 3.2 million, a 73 % decline compared with the previous year's EUR 11.7 million. Earnings per share amounted to EUR 0.77 (2012: EUR 2.82).

These results are preliminary, and may be adjusted during the course of being audited. The company will publish its finalised FY 2013 results on March 24, 2014.

Company profile

SMT Scharf Group develops, manufactures and services transport equipment for underground mines. The main products are captivated railways that are used all over the world, primarily in black coal mines, but also in mines for gold, platinum and other metals. These are needed to transport material and personnel with payloads of up to 45 tons on gradients of up to 35 degrees. In addition the company supplies mines with chairlifts. SMT Scharf Group has subsidiaries in six countries and agents worldwide. SMT Scharf generates more than 90 % of revenues in growing foreign markets such as China, Russia and South Africa. Business with replacement parts and repairs contributes about half of revenue. The entire market for underground transport equipment is estimated to be EUR 5 to 7 billion per year. SMT Scharf AG has been listed in the Prime Standard (Regulated Market) of the Frankfurt Stock Exchange since April 11, 2007.

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