

SMT Scharf exceeds EUR 50 million revenue threshold in FY 2015

Hamm, February 23, 2016 – SMT Scharf AG (WKN 575198, ISIN DE0005751986) reports EUR 50.3 million of consolidated revenue in the 2015 financial year (based on preliminary IFRS results). The company achieved a positive EBIT and net result despite the need to make risk provisions within a difficult market environment.

Hans Joachim Theiss, CEO of SMT Scharf AG, puts the figures in context: "After the impairment losses that already impacted earnings at the end of the first half of 2015, we initially assumed consolidated revenue of at least EUR 45 million and breakeven at the EBIT level – we have now clearly exceeded both of these targets, which pleases me greatly. The most important revenue drivers last year were again our international markets, especially Russia and Africa. China and Poland also accounted for a large proportion of our consolidated revenue again, although they fell year-on-year. In China, we observed a weakness in demand especially in the fourth quarter, which is connected with the closure of mines by the government and structural challenges posed by the country's growth model."

Consolidated revenue grew by 5.2 % to EUR 50.3 million (2014: EUR 47.8 million). In 2015, a total of 59.4 % of consolidated revenue was attributable to the service business (2014: 53.9 %), with the business with new systems accounting for 40.6 % (2014: 46.1 %). After applying impairment losses to inventories as part of risk provisioning, the cost of materials ratio increased to 55.2 % (2014: 48.8 %). The personnel expense ratio was reduced to 24.1 % (2014: 33.2 %). The number of full-time employees stood at 281 as of December 31, 2015 (December 31, 2014: 272), with the number of employees outside Germany rising further to 70 % as part of the localisation strategy (2014: 64 %). The result on operating activities (EBIT) amounted to a profit of EUR 1.6 million (2014: EUR -1.5 million), with the consolidated net result standing at a profit of EUR 0.8 million (2014: EUR -1.1 million).

"We are well positioned in the most important mining nations, and stand on a solid base within a cyclical market environment. Strategic measures are bringing us to a position that allows us to participate to an above-average extent in the next mining upturn," Theiss continues. "We aim to comprehensively and systematically satisfy customer needs above and beyond our core products, which leads us to the vision of an expanded range of offerings in the mining logistics area. We wish to grow further organically, push further ahead with our core positioning through external growth, and become even better operatively. We see this as the foundation of our future business success."

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. SMT Scharf Group has subsidiaries in six countries and agents worldwide. SMT Scharf generates most of its revenues in growing foreign markets such as China, Russia and South Africa. 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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