

SMT Scharf AG reports revenue and earnings growth in third quarter of 2017

Hamm, November 13, 2017 – SMT Scharf AG (WKN 575198, ISIN DE0005751986) reports significant year-on-year growth in both revenue and profit from operating activities (EBIT) in the first nine months of the current fiscal year. Business with new systems registered sharp growth of 40.0 % year-on-year thanks to the continuing brightening of the sector environment, and reached EUR 14.2 million (9M / 2016: EUR 8.1 million).

"With raw materials prices having stabilised further, we see clear signals of sector recovery. Demand and order volumes in the mining equipment market are picking up significantly, and sentiment is improving noticeably. The positive business trend in the current fiscal year confirms us in our conviction that SMT Scharf – with its tried and tested know-how and as a worldwide leading supplier of underground transportation solutions and logistics systems – can benefit to the full extent from this recovery. This is also highlighted by the fact that volumes in the new systems business grew significantly during the first nine months of the year – both in absolute terms and in relation to our service business. Our market-expansion strategy is bearing fruit," notes Hans Joachim Theiss, CEO of SMT Scharf AG.

Accordingly, SMT Scharf grew its consolidated revenue by 31.9 % year-on-year to EUR 35.2 million during the first nine months of 2017 (9M / 2016: EUR 26.7 million). In the third quarter alone, revenue reported even more dynamic growth of 58.5 % to EUR 12.0 million, up from EUR 7.6 million in the prior-year period. SMT Scharf also more than doubled its EBIT to EUR 3.9 million (9M / 2016: EUR 1.6 million). This is especially attributable to the billing of a number of high-margin projects and the non-repetition of provisions in the reporting period.

New order intake in the reporting period amounted to EUR 34.7 million (9M / 2016: EUR 27.7 million), reflecting the pickup in business in core markets. In Russia, SMT Scharf's most important market, revenue rose 36 % year-on-year to reach EUR 12.5 million (9M / 2016: EUR 7.8 million). In parallel, and starting from a low base, revenue in China of EUR 7.2 million more than doubled (9M / 2016: EUR 3.1 million).

"Given the ongoing upturn in new order intake and the continued high order book position, as well as the dynamic course of business during 2017 to date, we take a positive view of the fourth quarter," comments Theiss. "Also based on the background of a further brightening of the market environment, we assume we can achieve consolidated revenue for the full 2017 fiscal year above the previous range of between at least EUR 44 million and EUR 48 million. In this context, we now anticipate EBIT in a range between EUR 3.7 million and EUR 4.2 million."

The full report for the first nine months of 2017 will be available today on the company's website at www.smtscharf.com within the "Investor Relations" area.

Company profile of SMT Scharf

The SMT Scharf Group develops, manufactures and services transportation equipment for underground mining as well as for tunnel construction. The main products are captivated railway systems that are deployed all over the world, primarily in hard coal mines, but also in mines for gold, platinum and other metals. They are needed to transport material and personnel with payloads of up to 48 tons and on gradients of up to 30 degrees. In addition, the Group supplies the mining sector with chairlifts. 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. 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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