

SMT Scharf AG adjusts 2016 financial result, exceeds expectations for 2017 and releases positive guidance for 2018

Hamm, 8 March 2018 — Based on preliminary IFRS figures, SMT Scharf AG (WKN 575198, ISIN DE0005751986) has raised its consolidated revenue to EUR 52.1 million in the 2017 fiscal year (2016: EUR 42.6 million) and has therefore exceeded its revenue forecast (EUR 44 to 48 million) which was revised upwards over the course of 2017. This development is attributable to the company's strategy to grow in the market against the backdrop of improved business activity in the sector in 2017. At the same time, SMT Scharf achieved earnings before interest and taxes (EBIT) of EUR 4.5 million compared with EUR 2.5 million in the previous year. The company has therefore also outperformed its EBIT forecast (EUR 3.7 to 4.2 million) adjusted over the course of the year. As a result, SMT Scharf increased its consolidated annual net income notably to EUR 4.0 million (2016: EUR 1.3 million).

In the 2018 fiscal year, SMT Scharf's Managing Board expects consolidated revenue in a range of between EUR 58 to 62 million. With the takeover of Canadian mining specialist RDH Mining Equipment completed in February 2018, SMT Scharf has supplemented its product portfolio by adding vehicles on rubber wheels and laid the foundations for leveraging extensive synergies in the international hard rock and tunnel market. Through the takeover of the leading provider of battery-driven vehicles equipped with lithium-ion technology for underground mining, SMT anticipates positive effects on its sales and earnings trend in the coming years. Furthermore, the Managing Board forecasts EBIT in a corridor of between EUR 4.5 and 5.5 million in 2018.

Moreover, as a consequence of the findings of the German Financial Reporting Enforcement Panel (DPR) on the consolidated financial statements for 2015, the Group's financial statements as at 31 December 2016 were adjusted. Key figures, such as consolidated revenues and EBIT, remain unaffected by this measure. Changes in the financial result have led to a reduction in profit from ordinary activities (EBT) for 2016 fiscal year, which declined from EUR 2.9 million to EUR 2.6 million.

<End of the unscheduled announcement>

Company profile

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 2007.

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