

SMT Scharf on growth trajectory

Hamm, March 29, 2018 – According to the final business figures for 2017, SMT Scharf AG (WKN 575198, ISIN DE0005751986) has achieved significant growth in its revenue and results over the past fiscal year. SMT Scharf increased its consolidated revenue significantly by 22.6% to EUR 52.1 million (2016: EUR 42.6 million). At the same time, the company achieved an operating result (EBIT) of EUR 4.5 million (2016: EUR 2.5 million), which reflects growth of 84.2%. All in all, SMT Scharf raised its consolidated net profit substantially to EUR 4.0 million year on year (2016: EUR 1.5 million).

Hans Joachim Theiß, SMT Scharf AG's CEO, comments on the performance in fiscal 2017: "We are very happy with our development in fiscal 2017. Our market growth strategy has paid off and made a significant contribution to raising revenue and the results. The increase in commodity prices and the improved industry environment also had a positive impact on our business. At the start of 2018, we set the prerequisites for promoting growth in place by establishing the second sales-oriented joint venture in China and through the takeover of mining specialist RDH Mining Equipment."

In the final quarter of 2017, **consolidated revenue** increased by 6.3% to EUR 16.9 million (Q4/2016: EUR 15.9 million). As a result, consolidated revenue for the full year climbed by 22.6% to EUR 52.1 million (2016: EUR 42.6 million). Similarly, **total operating revenue** advanced to EUR 53.1 million (2016: EUR 42.2 million). The new systems and service business developed well over the year under review, with the share of new business in revenue rising to 43.6% (2016: 32.4%), boosted by greater capital expenditure by mining operators. The share of the service business in revenue came in at 56.4% (2016: 67.6%). As before, by far the largest share of consolidated revenue of 83.6%, equivalent to EUR 43.6 million, was accounted for by the Coal segment (2016: 84.1% or EUR 35.8 million). SMT Scharf generated around 95% of its revenue abroad in the reporting year 2017 (2016: 92%). Russia (and CIS) continued to be the most important market with a share of 32.6% or EUR 17.0 million (2016: 29.8% or EUR 12.7 million). With an increase in its share of revenue to 27.1% or EUR 14.1 million (2016: 19.3% or EUR 8.2 million), China as the world's largest coal producer also affirmed its significance as a key foreign market for the company. In Germany, revenue was recorded at EUR 2.5 million or 4.8%, and declined in line with planning (2016: EUR 3.5 million or 8.2%).

The **cost of materials ratio** (in relation to total operating revenue) increased to 57.5% (2016: 51.5%), which was attributable to the considerable upturn in the new systems business with

aggressive pricing in the market. The **personnel expense ratio** (in relation to total operating revenue) posted 24.0% due to revenue growth, which represents a considerable decline compared with the year-earlier level (2016: 27.4%). All in all, the SMT Scharf Group generated a significantly higher operating profit (EBIT) of EUR 4.5 million in the year under review (2016: EUR 2.5 million). This resulted in an improved EBIT margin (in relation to total operating revenue) of 8.6% (2016: 5.9%). Based on **consolidated net income** of EUR 4.0 million (2016: EUR 1.5 million), **earnings per share** stood at EUR 0.94 2016: EUR 0.37).

New order intake amounted to EUR 51.5 million in the year under review (2016: EUR 47.1 million). The order book position of the SMT Scharf Group stood at EUR 15.2 million as of December 31, 2017 (December 31, 2016: EUR 15.8 million).

“Given the signs in the market, we anticipate that the industry’s improved environment will hold steady. In fiscal 2018, we take a conservative stance in our assumptions and anticipate consolidated revenue in a range of between EUR 58 and 62 million, with EBIT settling in a corridor of EUR 4.5 to 5.5 million. RDH’s leading position in battery-driven vehicles in particular, combined with SMT Scharf’s international sales and after-sales expertise, harbours great potential for the future. We expect positive effects on the revenue and profit trend in the current fiscal year and the years ahead from RDH. We intend to take advantage of the upswing in mining and to continue to grow profitably in our target markets,” Theiß says.

The 2017 Annual Report will be published over the course of today on the company’s website at www.smtscharf.de under the Investor Relations heading.

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. SMT Scharf also supplies the mining sector with chairlifts. In addition, the company offers rubber-tyred diesel and electric vehicles for mining and tunnelling through the acquired mining specialist RDH Mining Equipment. As a leading supplier of battery-powered vehicles with lithium-ion technology for underground mining, RDH rounds off SMT Scharf's portfolio with its diverse range of products, from loaders, scissor lifts to underground trucks. Overall, the SMT Scharf Group is active with subsidiaries in eight 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.

Contact

Investor Relations
cometis AG
Thorben Burbach
Tel: +49(0)611 - 205855-23
Fax: +49(0)611 - 205855-66
E-Mail: burbach@cometis.de