



3-MONTH REPORT **2024**

Premium quality transport solutions for
people, material and equipment

SUMMARY OF KEY DATA

In EUR		2022	2023	Q1/2023	Q1/2024
Revenue	EUR thousand	93,714	73,172	12,799	12,456
Total operating revenue	EUR thousand	95,859	81,100	20,616	14,563
EBIT	EUR thousand	14,321	3,952	-1,130	-997
EBIT margin on total operating revenue	%	14.9	4.9	-5.5	-6.8
Consolidated net profit/loss	EUR thousand	14,803	5,228	-185	-445
Equity	EUR thousand	86,984	86,712	84,886	86,428
Equity ratio	%	66	69	67	68
FTEs (full-time employees)	on the reporting date	421	411	422	418

FINANCIAL CALENDAR

22 May 2024	Annual General Meeting
14 August 2024	Half-Year Report 2024
13 November 2024	9-month Report 2024
31 December 2024	Fiscal year-end

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SHARE INFORMATION

Share price chart



Key share data Q1 2024

Ticker/ISIN	S4A / DE000A3DRAE2
Number of shares including 49,477 treasury shares	5,521,456
Closing price (March 31, 2024)*	EUR 6.80
High / low* in Q1 / 2024	EUR 7.00 / EUR 5.55
Share price performance (LTM on March 31, 2024)	- 35.2 %
SDAX performance (LTM on March 31, 2024)	+8.7 %
Peer group portfolio performance (LTM on March 31, 2024)	- 12.8 %
Market capitalisation excluding treasury shares (LTM on March 31, 2024)	EUR 37.2 million

* Closing prices on the Xetra trading system of Deutsche Börse AG

LETTER TO SHAREHOLDERS

Dear Sir/Madam,
Dear shareholders,

In the first quarter of the 2024 financial year, the SMT Scharf Group successfully pursued its initiatives in the areas of production, development and sales. The focus remained on important international mining markets such as China, Poland or South Africa. In the first quarter of 2024, SMT Scharf succeeded in generating consolidated revenues of EUR 12.5 million. The first three months of the year saw a pick-up in new systems business with the result that sales revenues in this area gained around 12 % by comparison with the first quarter in the previous year. There were clear signs at the start of the year, particularly in China, that mine operators were once again investing more heavily in modern mining equipment. China continues to open new, high-tech coal mines that entail high demands for innovative, low exhaust gas transportation and logistics solutions for underground coal-mining. We want to systematically seize the resulting opportunities with our range of individual transport solutions. After Sales will also remain an important line of business. We support our mining customers in servicing and maintaining their fleets through our services and spare parts.

Operating earnings (EBIT) for the first quarter of 2024 came in at EUR -1.0 million and were thereby in negative territory. This was due to higher personnel costs and increased costs from the use of external services. In the first three months of 2024, however, lower net currency losses and gains totaling EUR 416 thousand had a positive effect on the consolidated result. As part of our drive for greater operational excellence – underlined by the introduction of a Group-wide ERP system – we are focusing on making our processes within SMT Scharf more efficient and reducing costs in the face of intense competitive pressure and general price increases. This also includes proactive procurement management to guarantee our supply capability for our transport solutions.

It was very pleasing to note that our activities in the Tunnel logistics segment and consequently the targeted diversification of the business into areas outside coal-mining are bearing fruit. For example, we have won a significant infrastructure project in the Middle East from a new customer. The order is in the low double-digit euro millions, making it the largest in the company's history. At the same time, SMT Scharf has also won an order for three battery-driven rail systems as part of the major project to construct Berlin's 380 kV diagonal power link. In this project, we will provide a specific transport solution for rail-based personal and emergency transport for a new cable tunnel, thereby making an important contribution to reliable power supplies in the city of Berlin.



Reinhard Reinartz (CEO/COO)



Volker Weiss (CFO)

In 2024 we will continue to apply ourselves with great motivation to the task of successfully driving the business of the SMT Scharf Group. Here we would like to thank you as an investor, business partner or customer for the confidence you have shown in us, and we would be delighted if you remained well-disposed towards SMT Scharf in the future.

Kind regards

Reinhard Reinartz

Volker Weiss

MANAGEMENT REPORT (UNAUDITED)

Business performance

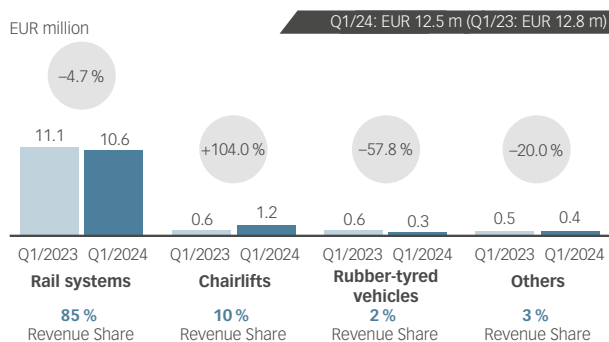
In spite of market conditions that remain challenging, the SMT Scharf Group sees itself as fundamentally well positioned with its product portfolio to drive business forward in its core markets around the world. In the first three months of the 2024 financial year, the SMT Scharf Group posted consolidated revenues of EUR 12.5 million. This equates to a slight year-on-year fall of 2.3 % (Q1/2023: EUR 12.8 million). At the start of the year, SMT Scharf noticed a higher level of activity overall in the relevant mining markets. This was also felt in new systems business which grew again in the first quarter of 2024 and made a decisive contribution to sales revenues. On the other hand, the spare parts business declined at the start of the year.

Earnings from operating activities (EBIT) in the first quarter of 2024 amounted to EUR -1.0 million (Q1/2023: EUR -1.1 million). This was due to higher personnel costs and increased costs from the use of external services. In the first three months of 2024, however, lower net currency losses and gains totaling EUR 416 thousand had a positive effect on the consolidated result.

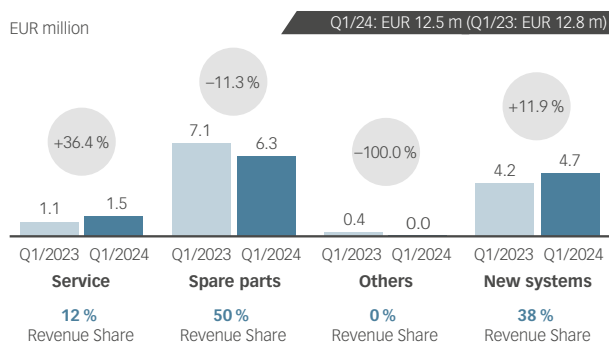
In its new systems business, SMT Scharf increased its sales revenues in the first three months of 2024 to EUR 4.7 million following EUR 4.2 million in the first quarter of the previous year. Sales revenues in the Service business also climbed to EUR 1.5 million (Q1/2023: EUR 1.1 million) while revenues from spare parts declined year on year to EUR 6.3 million (Q1/2023: EUR 7.1 million).

Looking to its core international markets, SMT Scharf succeeded in once again boosting sales revenues year on year in the sales market of Poland in the first three months of 2024, posting a figure of EUR 3.6 million (Q1/2023: EUR 3.3 million). Poland and China therefore proved to be the sales markets with the strongest revenues in the first quarter of 2024, each with a 28.9 % share of total sales revenue. SMT Scharf also achieved revenue growth in China year on year, generating EUR 3.6 million (Q1/2023: EUR 3.1 million). Revenues in Russia, by contrast, failed to match the same period in the previous year, posting a figure of EUR 2.2 million (Q1/2023: EUR 2.9 million). Revenues of EUR 1.3 million in Africa in the first quarter of 2024 were also slightly weaker than in the same period of the previous year (Q1/2023: EUR 1.7 million). In America, the company generated sales revenues of EUR 0.2 million (Q1/2023: EUR 0.6 million) and in Germany, SMT Scharf was able to achieve a slight revenue increase to EUR 0.9 million following EUR 0.6 million in the first quarter of the previous year.

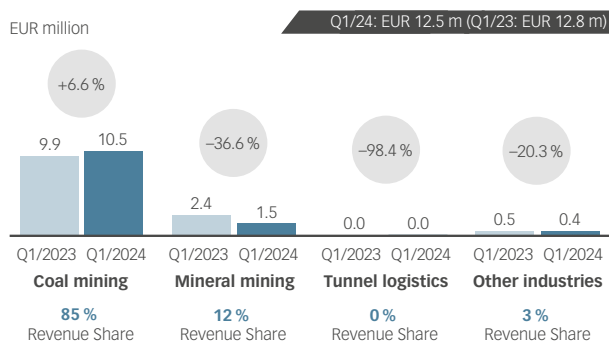
Revenue share by product



Revenue by type of business



Revenue share by segment

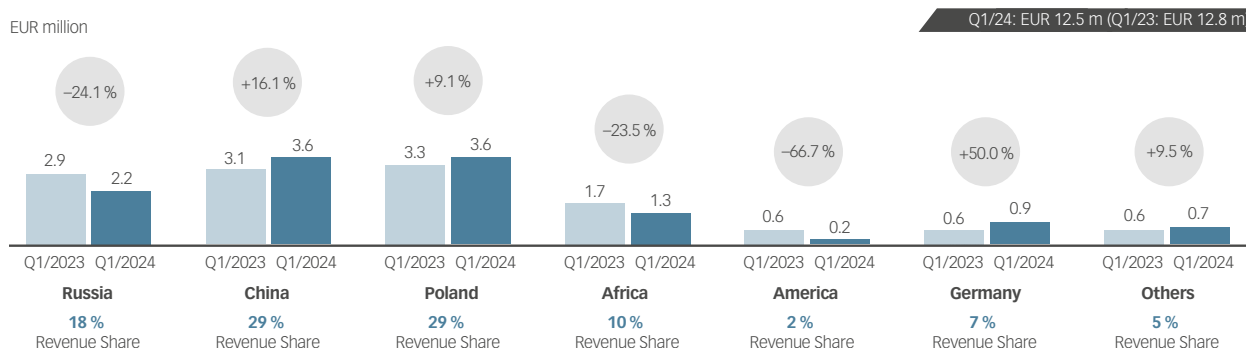


Broken down by segment, the largest share of revenue continued to flow from the coal-mining segment with an 85 % share (Q1/2023: 77 %), while the mineral mining segment with a 12 % share of consolidated revenues in the reporting period declined by comparison with the previous year (Q1/2023: 19 %). The “Other industries” segment contributed 3 % of consolidated revenues (Q1/2023: 4 %). The Tunnel logistics segment did not contribute any revenues as yet in the first quarter of 2024 (Q1/2023: 0 %), which will change significantly in the following quarters against the background of the major orders won.

The order intake in the first quarter of 2024 stood at EUR 41.7 million thanks to the major orders gained in the Tunnel logistics segment, which is significantly higher than the figure for the previous year (Q1/2023: EUR 16.8 million). As of 31 March 2024, the order book stood at EUR 51.9 million, thereby exceeding the figure for the previous year by EUR 25.0 million (Q1/2023: EUR 26.9 million).

The number of full-time employees (FTEs) as of the reporting date of 31 March 2024 stood at 418 members of staff (31/03/2023: 422 FTEs).

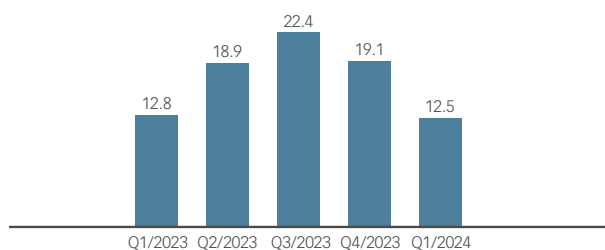
Revenue by region



Economic and business report

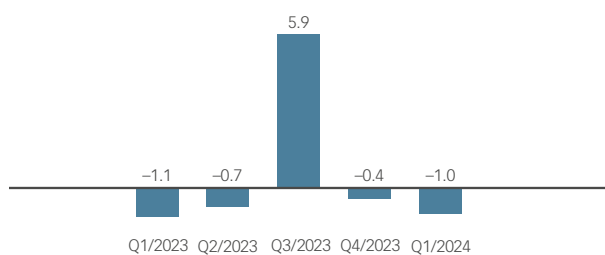
Consolidated revenue

EUR million



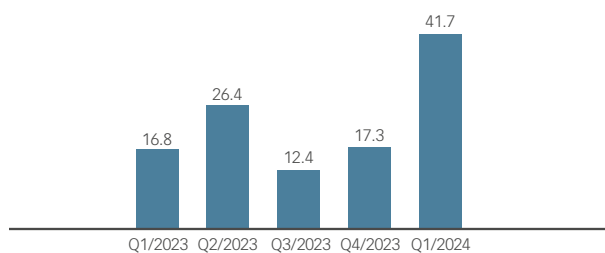
Operating result (EBIT)

EUR million



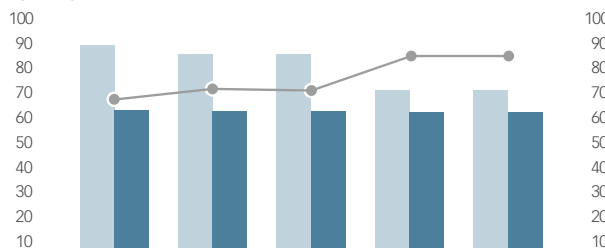
New order intake

EUR million



Net working capital

EUR million



■ LTM consolidated revenue ■ Net working capital (€ LTM)
■ Net working capital (€ LTM)/LTM consolidated revenue

- Rolling consolidated revenues for the last twelve months up to the reporting date of 31 March 2024 (LTM) amounted to EUR 72.9 million. Sales revenues in the first quarter of 2024 stood at EUR 12.5 million.

- In spite of market conditions that remain challenging, SMT Scharf succeeded in boosting revenues through its new systems and service businesses, while the spare parts business lagged behind the comparative for the previous year.

- EBIT reached EUR -1.0 million in the first quarter of 2024 (Q1/2023: EUR -1.1 million), which was primarily due to higher personnel costs and increased costs from the use of external services. In the first three months of 2024, however, lower net currency losses and gains totaling EUR 416 thousand had a positive effect on the consolidated result.

- The EBIT margin (in relation to total operating revenue) came in at -6.8% in the first quarter of 2024 (Q1/2023: -5.5%).

- Rolling EBIT for the last twelve months up to the reporting date of 31 March 2024 (LTM) amounted to EUR 3.8 million.

- The order intake in the first quarter of 2024 of EUR 41.7 million significantly exceeded the figure for the previous year by a substantial margin thanks to the major orders won in the Tunnel logistics segment (Q1/2023: EUR 16.8 million).

- As of 31 March 2024, the order book totalled EUR 51.9 million (31 March 2023: EUR 26.9 million).

- Net working capital is defined as the sum of inventories, trade receivables and other assets less current provisions, trade payables, current liabilities to banks as well as other liabilities and advance payments as of the relevant reporting date.

- The average net working capital of the last twelve months up to the reporting date of 31 March 2024 of EUR 63.5 million (LTM calculated from quarterly figures) as a ratio of rolling consolidated revenues for the last twelve months up to the reporting date (LTM) of EUR 72.8 million gives a net working capital intensity of 87.2%.

Report on events after the reporting date

No significant events impacting the further performance of the SMT Scharf Group occurred after the reporting date of 31 March 2024.

Outlook

With regard to 2024, the International Monetary Fund (IMF) is, on the one hand, expecting to see positive trends and is forecasting global growth of 3.2% for 2024 and 2025 in its economic report in April 2024. The recovery of the global economy from the COVID-19 pandemic and the effects of the Russia-Ukraine war is consequently surprisingly resilient and is proceeding slowly but steadily. At the same time, inflation, according to the IMF, is receding faster than expected from its peak in 2022 and will fall back to 4.5% in 2025 following 5.9% in 2024. Advanced economies will manage to reduce inflation more quickly than emerging economies and developing countries. On the other hand, the IMF sees a risk that the withdrawal of fiscal support by individual countries in the face of high levels of debt might slow growth in 2024. In addition, geopolitical tensions could negatively impact the global economy.

With a look to the core markets of SMT Scharf, the IMF is forecasting marginal to significant growth rates in 2024. In China, the economy has recently picked up following the abandonment of the zero Covid policy. The loose monetary policy of the Chinese central bank in view of an inflation rate close to zero, tax breaks as well as strong domestic demand had a positive effect on the growth of the world's second largest economy. However, the persistent crisis in the Chinese property sector continues to weigh the economy down. Overall, the IMF is therefore expecting lower growth for the Chinese economy in the current year by comparison with 2023. The IMF is forecasting economic growth for China of 4.6% in 2024.

Despite continued high volatility in the market environment, SMT Scharf believes that it is fundamentally well positioned in its niche to implement customised transport and logistics

solutions for its customers worldwide. SMT Scharf is continuing to focus on its core markets of China, Poland, South Africa and America. While the IMF is forecasting falling growth rates for China and Russia for 2024, the economy in the important sales markets of Poland and South Africa is set to grow in the current year. The Managing Board expects that investment activity in the mining industry could pick up further in the current fiscal year. The company believes that stricter regulations contained in China III and the high demand for innovative mining equipment as well as the close focus on coal mining to meet Poland's energy needs will lead to attractive growth prospects in these important core markets.

In addition, Russia is one of the SMT Scharf Group's core markets. The EU sanctions on Russia which were further tightened in February 2023 are impacting business activities. Under these sanctions, the delivery of complete machines and individual components as well as the delivery of spare parts to Russia is forbidden or only possible in connection with heavy restrictions. Against this background, SMT Scharf expects business activity in Russia to remain at a low ebb in the current year following the decline in sales revenue in Russia in 2023. SMT Scharf will continue to closely monitor the opportunities and risks in this market with a view to its future business activities, in order to be able to take appropriate measures where necessary.

For the 2024 financial year, the Managing Board of SMT Scharf AG is reiterating its forecast and expects consolidated revenue of between EUR 74 million and EUR 79 million, based on conservative estimates. In addition, the Managing Board continues to expect operating earnings (EBIT) of between EUR 1.5 million and EUR 2.5 million in 2024.

IFRS THREE-MONTH FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED BALANCE SHEET

EUR thousand	31/03/2024	31/03/2023	31/12/2023
Assets			
Intangible assets	6,790	7,833	6,878,474.14
Property, plant and equipment	6,551	7,270	6,770,821.46
Loans	651	725	649,269.84
Equity accounted investments	20,683	18,322	20,216,663.59
Other investments	7	7	7,039.97
Deferred tax assets	4,588	3,648	4,014,536.35
Non-current lease receivables	0	357	0.00
Other non-current non-financial assets	1	3	1,337.75
Non-current assets	39,271	38,165	38,538,143.10
Inventories	41,116	37,929	38,192,925.02
Trade receivables	30,495	36,359	35,691,271.63
Contract assets	158	64	441,838.36
Current lease receivables	389	676	569,748.43
Other current non-financial assets	5,006	4,278	3,826,750.09
Other current non-financial assets in connection with employees' pension rights	1,389	1,491	1,005,713.92
Cash and cash equivalents	10,088	7,853	8,241,457.42
Current assets	88,641	88,650	87,969,704.87
Total assets	127,912	126,815	126,507,847.97

EUR thousand	31/03/2024	31/03/2023	31/12/2023
Liabilities			
Subscribed capital	5,472	5,472	5,471,979.00
Share premium	23,623	24,196	23,623,327.12
Retained earnings	64,751	59,669	65,049,156.64
Other reserves	-9,052	-6,175	-9,205,878.16
Minority interests	1,634	1,725	1,773,433.00
Equity	86,428	84,886	86,712,017.60
Provisions for pensions	2,481	2,663	2,519,786.00
Other non-current provisions	200	172	199,956.90
Deferred tax liabilities	714	758	659,422.87
Lease liabilities	2,400	2,764	2,233,763.40
Non-current financial liabilities	46	799	256,086.44
Other non-current financial liabilities	2,216	3,075	2,463,670.70
Non-current provisions and liabilities	8,057	10,231	8,332,686.31
Current income taxes	3,355	2,009	3,465,091.05
Other current provisions	5,277	6,111	5,770,019.56
Contract liabilities	2,338	666	901,036.38
Trade payables	3,645	6,452	3,819,924.57
Lease liabilities	554	453	767,631.89
Current financial liabilities (cash and cash equivalents)	14,100	12,907	10,847,379.19
Current financial liabilities (non-financial funds)	2,816	1,948	4,841,646.31
Other current non-financial liabilities	1,341	1,152	1,050,415.11
Current provisions and liabilities	33,426	31,698	31,463,144.06
Total assets	127,911	126,815	126,507,847.97

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Q1/2024	Q1/2023
Revenue	12,456	12,799
Changes in inventories	2,107	7,817
Total operating revenue (100 %)	14,563	20,616
Other operating income	1,120	1,272
Cost of materials	7,646	13,614
Personnel expenses	5,406	5,109
Depreciation, amortization and impairment losses	602	698
Other operating expenses	3,026	3,597
Profit from operating activities (EBIT)	-997	-1,130
Result from equity accounted investments	376	437
Interest income	197	89
Interest expenses	352	304
Financial result	221	223
Profit before tax	-776	-907
Income taxes	-331	-722
Consolidated net profit	-445	-185
of which, share of consolidated net profit attributable to shareholders of SMT Scharf AG	-298	-269
of which, share of consolidated net profit attributable to non-controlling interests	-147	84
Other comprehensive income items recycled later to profit or loss:		
Currency differences from translation of foreign financial statements	72	-1,660
Share of other comprehensive income attributable to equity accounted investments	90	-286
Other comprehensive income items not recycled later to profit or loss:		
Actuarial gains/losses	0	0
Deferred taxes	0	0
Other comprehensive income	162	-1,946
of which, share of other comprehensive income attributable to shareholders of SMT Scharf AG	154	-1,887
of which, share of other comprehensive income attributable to shareholders of SMT Scharf AG	8	-59
Total comprehensive income	-283	-2,131
of which, share of total comprehensive income attributable to shareholders of SMT Scharf AG	-144	-2,156
of which, share of total comprehensive income attributable to non-controlling interests	-139	25
Earnings per share (in EUR)		
Undiluted (basic)	-0.08	-0.03
Diluted	-0.08	-0.03
Average number of shares	5,471,979	5,471,979

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	Q1/2024	Q1/2023
Consolidated net profit	- 445	- 185
-/+ Income/expense from equity accounted investments	- 376	- 437
+ Depreciation, amortization and impairment losses relating to non-current assets	602	697
-/+ Gain/loss from disposal of non-current assets	51	48
+/- Decrease/increase in provisions	- 580	201
-/+ Increase/decrease in inventories, trade receivables and other assets not allocable to investing or financing activities	1,594	2,982
+/- Increase/decrease in trade payables and other liabilities not allocable to investing or financing activities	1,292	- 1,483
+/- Other non-cash expenses/income	0	34
+/- Income tax	- 331	- 722
+/- Financial expenses	155	215
-/+ Income taxes paid	- 518	- 741
Cash flow from operating activities	1,444	609
- Capital expenditure on property, plant and equipment	- 77	- 276
- Capital expenditure on intangible assets	- 123	- 2
+ Interest received	192	81
Cash flow from investing activities	- 8	- 197
- Cash outflows for the repayment of leasing liabilities	- 213	- 167
+ Cash inflows from sale-and-leaseback agreements	0	0
- Cash outflows for the repayment of loans	- 2,483	- 757
- Interest paid	- 239	- 138
Cash flow from financing activities	- 2,935	- 1,062
Net change in cash and cash equivalents	- 1,499	- 650
Changes in cash and cash equivalents due to effects from exchange rates and the consolidation Group	93	- 343
Cash and cash equivalents at start of period	- 2,606	- 4,061
Cash and cash equivalents at end of period	- 4,012	- 5,054

SELECTED NOTES TO THE FINANCIAL STATEMENTS

Segment report

The business of the SMT Scharf Group is divided into four operating segments. Intersegment revenues and inputs are of minor significance, and are not reported separately.

Segment reporting as of March 31, 2024

EUR thousand	Coal mining		Mineral mining		Tunnel		Other industries		Not allocated		SMT Scharf Group	
	Q1/2024	Q1/2023	Q1/2024	Q1/2023	Q1/2024	Q1/2023	Q1/2024	Q1/2023	Q1/2024	Q1/2023	Q1/2024	Q1/2023
Revenue	10,538	9,883	1,497	2,362	1	27	420	527	-	-	12,456	12,799
of which new equipment	3,910	2,965	378	751	-	10	405	515	-	-	4,693	4,241
of which spare parts	5,183	5,540	1,062	1,515	1	17	15	12	-	-	6,261	7,084
of which service	942	1,028	57	96	-	-	-	-	-	-	999	1,124
of which others	503	350	-	-	-	-	-	-	-	-	503	350
Operating result (EBIT)	(539)	(1,484)	(312)	269	0	3	(146)	83	-	-	(997)	(1,130)
Result from equity accounted companies	376	437	-	-	-	-	-	-	-	-	376	437
Segment assets	110,423	111,796	9,905	8,958	4	155	2,992	2,258	4,588	3,648	127,912	126,815
Segment liabilities	37,286	31,502	3,908	8,586	1	47	(425)	1,035	714	758	41,483	41,929
Segment investments	231	111	-	226	-	-	6	2	-	-	237	339
of which IFRS 16	189	62	-	-	-	-	-	-	-	-	189	62
Interests in equity accounted companies	20,682	18,322	-	-	-	-	-	-	-	-	20,682	18,322
Depreciation and amortisation	503	582	65	82	-	-	34	34	-	-	602	698
FTE	340	341	51	57	5	5	22	19	-	-	418	422

IMPRINT

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Concept, editing, layout & typesetting

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Disclaimer

This report for the first quarter of 2024 is also available in German. Should differences arise, the German version is definitive. The digital version of the Annual Report and the Interim Reports are available at www.smtscharf.com in the Investor Relations section.