

SMT Scharf AG exceeds FY 2019 revenue and earnings targets

Hamm, February 27, 2020 - Based on preliminary results, SMT Scharf AG (WKN 575198, ISIN DE0005751986) exceeded both its FY 2019 forecast that was adjusted downwards during the course of the year as well as its original FY 2019 forecast. SMT Scharf grew its consolidated revenues to more than EUR 75 million in 2019 compared to EUR 70.8 million in the previous year. At the same time, SMT Scharf significantly increased its operating result (EBIT) to more than EUR 6 million (2018: EUR 5.3 million). SMT Scharf had most recently forecast consolidated revenue of EUR 65 million to EUR 67 million (originally EUR 72 million to EUR 75 million) for FY 2019, with EBIT in a range between EUR 4.5 million and EUR 5.0 million (originally EUR 5.5 million to EUR 6.0 million).

The reason for this is that the dynamic revenue trend in China weakened much less than expected due to ongoing market distortions caused by the new regulation for engines (China III). Contrary to expectations, some Chinese mining companies ordered machines with the old engine standard (China II), which will no longer have valid certification from 2021. As a consequence, SMT Scharf successfully processed additional orders in the final quarter of 2019. SMT Scharf believes that the ongoing approval issues in China will continue to affect its business during the first half of the year. The company sees the spread of coronavirus as a further possible influence in this context, which could not only lead to a further slowdown in business in China and but also exert an overall impact SMT Scharf's business activities. Given its full order books, SMT Scharf is meanwhile focusing on leveraging attractive growth opportunities in China. Positive effects on business are not expected until the second half of 2020 at the earliest, when delivery of the newly approved China III machines can likely commence.

<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 include captivated railway systems that are deployed worldwide, primarily in hard coal mines, as well as in mines for gold, platinum and other metals. Such systems are required in order to transport material and personnel with payloads of up to 48 tonnes and on gradients of up to 30 degrees. In addition, SMT Scharf supplies the mining sector with chairlifts. Since 2018, SMT Scharf's diverse portfolio has also included rubber-tyred diesel and electric vehicles for mining and tunnelling, including loaders, scissor lifts and underground trucks. As part of the further diversification of the business, the product range has been successfully expanded since 2019 to include electronic components and control systems for mining and other industries. Overall, the SMT Scharf Group is active with subsidiaries in eight countries, as well as commercial

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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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