

## **SMT Scharf AG: Business in Q1/2020 burdened significantly by coronavirus**

- **Consolidated revenue down to EUR 10.7 million due to coronavirus pandemic**
- **Operating result (EBIT) decreases to EUR -2.1 million**
- **High order book position of EUR 29.4 million reflects delayed order processing**
- **Subdued outlook in the mining equipment market owing to Covid-19 effects**

Hamm, May 14, 2020 – SMT Scharf AG (WKN 575198, ISIN DE0005751986), one of the world's leading suppliers of customised transport solutions and logistics systems for underground mining, recorded a 28.2% reduction in consolidated revenue to EUR 10.7 million in the first quarter of 2020 (Q1 / 2019: EUR 14.9 million). At the same time, the result from operating activities (EBIT) decreased to EUR -2.1 million (Q1 / 2019: EUR 1.6 million). The significant reduction in revenue and results mainly reflects the far-reaching restrictions imposed to contain the coronavirus pandemic, which placed a considerable burden on the company's business activities in its individual markets.

Both the new systems business and the highly profitable after-sales business were down in the period under review. Against the backdrop of a severely deteriorating market environment, revenue of EUR 5.4 million was generated in the new systems business (Q1 / 2019: EUR 6.1 million). Revenue in the service and spare parts businesses reduced to EUR 5.3 million (Q1 / 2019: EUR 8.6 million). No revenues were generated in the other segment in the reporting period (Q1 / 2019: EUR 0.2 million). The Group net result was down by EUR 3.0 million year-on-year to EUR -1.4 million (Q1 / 2019: EUR 1.6 million).

Despite continued challenging market conditions, Hans Joachim Theiss, CEO of SMT Scharf AG, expresses cautious optimism: "The coronavirus pandemic has been exerting a significantly negative impact on our company's business activities in our target markets since the start of 2020. Since then, we have resumed business operations in China, which had been suspended from January to the end of March due to the pandemic. In light of full order books and Chinese mining companies' investment needs due to the China III regulation, we continue to expect catch-up effects in the Chinese market from the second half of the year."

Overall, China, the previously strongest market in terms of revenue, reported a sharp decrease to EUR 1.7 million (Q1 / 2019: EUR 6.6 million) owing to the current exceptional situation. SMT Scharf also recorded revenue down in Poland to a level of EUR 1.4 million (Q1 / 2019: EUR 2.0 million) and in Africa to a level of EUR 1.2 million (Q1 / 2019: EUR 1.3 million). In contrast, revenue of EUR 3.6 million in the important foreign market of Russia was significantly higher than in the previous year (Q1 / 2019: EUR 2.9 million).

In the first three months of 2020, the SMT Scharf Group's new order intake amounted to EUR 15.1 million (Q1 / 2019: EUR 14.5 million). The order book position rose to EUR 29.4 million as of the March 31, 2020 reporting date, reflecting delayed order processing against the backdrop of the coronavirus crisis.

"The economic consequences arising from the coronavirus pandemic are expected to continue to weigh heavily on demand in the global market for mining equipment this year.

This applies both to the willingness to invest in new systems and, initially, to the after-sales business. We are generally well positioned in our niche and, despite the great uncertainties currently prevailing in the market, we will continue to push ahead with our strategic initiatives in product development and sales, as well as with improving Group structures,” notes Theiss.

In the medium and long term, SMT Scharf continues to identify attractive growth opportunities in its business segments, deriving from global urban development trends, high demand for economically strategic raw materials, and electromobility.

In accordance with the forecast that was adjusted on April 28, 2020, the Managing Board of SMT Scharf AG anticipates consolidated revenue in a range between EUR 55 million and EUR 57 million for the 2020 fiscal year, and EBIT in a range between EUR -1.4 million and EUR -1.6 million.

The complete report for the first quarter of 2020 will be published during the course of today within the Investor Relations area of [www.smtscharf.de](http://www.smtscharf.de).

### Company profile

The SMT Scharf Group develops, manufactures and services transportation equipment for underground mining as well as for tunnel construction. Its 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 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  
Email: [burbach@cometis.de](mailto:burbach@cometis.de)