

SMT Scharf AG publishes preliminary figures for Q1/2020 and adjusts forecast for financial year 2020

Hamm, April 28, 2020 – Preliminary figures show that SMT Scharf AG (WKN 575198, ISIN DE0005751986) achieved consolidated sales totaling EUR 10.7 million in the first quarter of 2020, down by EUR 4.2 million on the previous year's figure of EUR 14.9 million. Operating profit (EBIT) came in at minus EUR 2.0 million (Q1/2019: EUR 1.6 million). This downturn in sales and earnings is essentially attributable to the Coronavirus pandemic, which has had a significant negative impact on the company's activities in the markets targeted by SMT Scharf. From January until the end of March 2020, business operations in China, for example, were at a standstill due to restrictions imposed to stop the spread of the virus. Similarly, there was no notable activity in South Africa and Canada either due to the plant closures ordered by the authorities that have been in place since week 13.

To date, the SMT Scharf Group supply chains remain uninterrupted. Due to the current exceptional situation, however, some incoming orders have not yet been executed, or only with delay. What is more, the Managing Board of SMT Scharf anticipates that due to the economic effects resulting from the Corona pandemic, global market demand for mining equipment – in terms of both new investments and after-sales business – will remain substantially depressed in the course of the year 2020. Against this background, based on the current state of affairs, the Board has adjusted its guidance for financial year 2020 and now anticipates full-year consolidated sales of EUR 55 to 57 million for 2020. Moreover, the Board is forecasting EBIT for 2020 within a corridor of between EUR minus 1.4 and minus 1.6 million.

SMT Scharf had originally expected to see consolidated sales for financial year 2020 within a bandwidth of EUR 72 to 75 million, with EBIT between EUR 5.5 to 6.0 million.

<End of ad-hoc 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 agencies worldwide. SMT Scharf generates a large share of its revenue

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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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